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# INTERNATIONAL SECURITY ENVIRONMENT (STRATEGY)

## HEARINGS

BEFORE THE

## COMMITTEE ON ARMED SERVICES UNITED STATES SENATE

ONE HUNDRED FIRST CONGRESS

FIRST SESSION

APRIL 5, 6, 11, 14, 18, 19, 20; JUNE 1, 1989

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# INTERNATIONAL SECURITY ENVIRONMENT (STRATEGY)

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WEDNESDAY, APRIL 5, 1989

U.S. Senate,
Committee on Armed Services,
*Washington, DC.*

## IMPLICATIONS OF GORBACHEV REFORMS FOR U.S. SECURITY

The committee met, pursuant to notice, at 9:09 a.m., Senator Sam Nunn (chairman) presiding.

Committee members present: Senators Nunn, Levin, Dixon, Glenn, Warner, McCain, Wallop, Gorton, Lott, and Coats.

Committee staff members present: Arnold L. Punaro, staff director; and Lucia M. Chavez, security control officer.

Professional staff members present: Robert G. Bell, John J. Hamre, James R. Locher III, David S. Lyles, and Michael J. McCord.

Minority staff members present: Patrick A. Tucker, minority staff director and counsel; Romie L. Brownlee, deputy staff director for the minority; Robert F. Bott, Brian D. Dailey, Jonathan L. Etherton, Judith A. Freedman, George K. Johnson, George W. Lauffer, Durwood W. Ringo, and Mark B. Robinson, professional staff members.

Staff assistant present: Lori M. Jackson.

Committee members' assistants present: Jeffrey B. Subko, assistant to Senator Exon; Kenneth N. Luongo, assistant to Senator Levin; William J. Lynn, assistant to Senator Kennedy; Phillip P. Upschulte, assistant to Senator Glenn; Leon S. Fuerth, assistant to Senator Gore; Jefferson B. Seabright, assistant to Senator Wirth; Terrence M. Lynch, assistant to Senator Shelby; Anthony H. Cordesman, assistant to Senator McCain; Robert M. Soofer, assistant to Senator Gorton; and Eric H. Thoemmes, assistant to Senator Coats.

## OPENING STATEMENT OF SENATOR SAM NUNN, CHAIRMAN

Chairman Nunn. The committee will come to order.

I am informed the microphones are not working, but maybe they will be back on in a few minutes.

The committee meets this morning to conduct the first in a series of hearings that will address a number of strategic issues of critical importance for United States and allied security interests.

These strategy hearings, together with questions on related subjects which we will pose at later hearings to the Commanders in Chief and department officials, will help establish a framework for our subsequent examination of the administration's strategic review and its amended 1990–1991 Defense budget request.

We have decided to begin with hearings on strategy and overall viewpoints because it is an appropriate starting point for evaluating our military needs and our budgetary priorities.

This series of hearings will build on the foundation in the area of strategy created by the committee in the last 2 years.

In 1987 the committee conducted 16 hearings on national security strategy in its military strategy component. Last year, in preparation for our review of the then-pending INF Treaty, as well as the defense authorization request, we began the year with 15 strategy hearings that focused last year on NATO defense.

In the last 2 years the committee has received testimony on strategy from both administration officials and outside experts. Because of its on-going national defense strategy review, it is not possible for administration officials to appear at this time.

We will, therefore, begin this year with hearings involving only outside experts. Later this month, we will receive testimony from the Chairman of the Joint Chiefs of Staff and the unified and specified combatant commanders.

Additional testimony from the administration on strategy will depend, as far as the timing, on the administration's strategy review and the committee's schedule.

At this point, I want to commend the administration for undertaking this strategy review at the beginning of the administration. I think it is very appropriate and timely. And, even though we would be delighted to hear from them whenever they complete their review, perhaps the administration would take enough time to make it thorough because it indeed will be extremely important, as the foundation for their own decisions, and will be extremely influential in our decision.

I commend the administration for undertaking this strategy review. I think it is an important effort that is overdue.

This morning's hearing will address the implications of Soviet President Gorbachev's reforms and policies for the United States and Allied security.

President Gorbachev's recent initiatives have drastically and dramatically altered the political landscape upon which the United States and its allies must formulate NATO military posture and arms control proposals in the months ahead.

The political landscape has been changed much more dramatically than any military landscape. The military components are still pretty much in place as they have been, but the political atmosphere has indeed changed substantially.

It is therefore especially appropriate that the committee begin its strategy hearings by addressing this topic. Tomorrow afternoon the committee will meet at 2 o'clock to hold a hearing on the negotiations in Vienna on conventional forces in Europe.

The third hearing in this series will be next Tuesday morning, April 11, when the committee will again address the themes of changes in the Soviet Union under Gorbachev and their implications for Western security interests.

Other strategy hearings will examine low-intensity conflict and the future of the START negotiations.

Today we have a very distinguished panel of experts:

Mr. Arnold Horelick is the director of RAND/UCLA Center for the Study of Soviet International Behavior, and a former national intelligence officer at the CIA. Arnold has testified before the committee on many occasions and has been very helpful to a number of us over the years as an advisor.

General William Odom, director of National Security Studies, Hudson Institute, and a former director of the National Security Agency. General Odom is an individual we have heard from over the years with a great deal of interest. He has a tremendous amount of expertise in this area.

General Odom, we are delighted to hear from you this morning.

Dr. Stephen Meyer, associate professor of Political Science, Massachusetts Institute of Technology.

Dr. Meyer, we are delighted to have you with us this morning.

We are particularly pleased to have Mr. Christopher Donnelly, director, Soviet Studies Research Center, Royal Military Academy, Sandhurst, United Kingdom.

The committee appreciates the willingness of all the witnesses to appear this morning, and particularly I want to thank the British Government for granting its permission for Mr. Donnelly, a distinguished British career civil servant, to participate on this panel.

Mr. Donnelly, we understand that you will be presenting your own views, your personal views, and that your testimony will not necessarily reflect the position of the British Government. We have a clear understanding on that point. We further understand that the British Government has asked Mr. Donnelly to limit his remarks to Soviet policy, and that he not comment on or critique British policy, although we will welcome that if you choose to do so this morning. [Laughter.]

Without objection, I will insert in the record of the hearing, a letter from the British Embassy to this effect.

[The information follows:]

British Embassy,
*Washington, DC, April 3, 1989.*

Robert G. Bell,
*Senate Armed Services Committee,*
*Russell Senate Office Building, Washington, DC.*

Dear Bob: We were very pleased that it has proved possible for Chris Donnelly to appear before the Senate Armed Services Committee on 5 April. This is just to confirm the basis of his participation in the panel, which is along the lines we discussed.

Mr. Donnelly will be appearing solely in his capacity as an academic analyst of Soviet military doctrine and behaviour. He will not be authorised to give views on British policy and his statements will not necessarily refect the views of the British Government.

With best wishes for a successful hearing.

Sincerely,

K.R. Tebbit,
*Counsellor, Political/Military.*

Chairman Nunn. We have asked Mr. Horelick and General Odom to give us a broad overview of recent changes in the Soviet

Union and their implications for Soviet strategic and foreign policy.

Dr. Meyer and Mr. Donnelly will then focus more specifically on changes under Gorbachev and Soviet military strategy, doctrine, and force posture.

After we have heard all the statements, we will then come back to the panel for questions.

I do not know whether these mikes are working yet.

If it makes you feel better, you can shout into the mikes, however, they are not working.

Mr. Horelick, we are delighted to have you here and we will ask you to lead off this morning.

## STATEMENT OF ARNOLD HORELICK, DIRECTOR, RAND/UCLA CENTER FOR THE STUDY OF SOVIET INTERNATIONAL BEHAVIOR

Mr. **Horelick**. Mr. Chairman and members of the committee, it is a pleasure for me to——

Chairman **Nunn**. Senator Warner—excuse me—Senator Warner.

Senator **Warner**. Mr. Chairman, I think in the spirit of trying to get forward, I will just put my statement in the record.

[The prepared statement of Senator Warner follows:]

### Prepared Statement of Senator John Warner

### THE IMPLICATIONS OF GORBACHEV'S INITIATIVES ON U.S. NATIONAL SECURITY

Thank you, Mr. Chairman. I join you in extending a warm welcome to these distinguished witnesses. I also commend you, Mr. Chairman, for providing the framework for these important hearings on the implications of General Secretary Gorbachev's initiatives on U.S. national security. Mr. Gorbachev's initiatives pose enormous challenges to U.S. national security planning. For the committee, and Congress as a whole, they will have a significant impact on our decisions regarding future defense programs, particularly in a time of austere budgets. I thank the chairman for providing the members of this committee with an opportunity to hear expert witnesses on the Soviet Union during the weeks ahead. I also look forward to the testimony of administration witnesses as soon as President Bush's strategic review is completed. Their testimony as well as that on non-government witnesses will help us make more informed decisions on future defense programs.

The witnesses before us today are notable observers of Soviet political and military affairs. General Odom and Mr. Horelick are well known Soviet scholars who, from their different professional backgrounds, have observed many changes over the years in the Soviet Union. Your collective wisdom and insights are most welcome. Similarly, Messrs. Donnelly and Meyer are highly respected analysts of Soviet military strategy and force planning. Indeed, I look at changes in Soviet military doctrine as reflected in force posture and defense production as the litmus test for Gorbachev's assertions of "new thinking" in the Soviet Union.

When Mr. Gorbachev first articulated the principles of "new thinking" during the 27th Party Congress in February 1986, he identified the threat of nuclear weapons as the greatest danger to mankind. Specifically, Gorbachev denounced nuclear deterrence as a threat to all people and asserted that since all countries are "mutually dependent" no state is able to ensure its own security. Gorbachev has further suggested that "common security" replace the "outdated" alliance system. At the core of Gorbachev's proposal is the elimination of nuclear weapons and the development of "sufficient" conventional defenses as a part of the common security system for all nations.

Mr. Gorbachev's proposals, of course, bring into question the very cornerstone of our defense posture. Nuclear deterrence and NATO's flexible response doctrine have been essential to the preservation of peace between the United States and the Soviet Union for over 40 years. We are now being challenged by Mr. Gorbachev to rely instead on conventional deterrence even though the history of conventional deterrence in Europe raises questions about the wisdom of eliminating nuclear weapons. We must not forget, moreover, that the source of tension between East and

West is not found in the weapons themselves, but instead in the differences in our respective political systems. It is with that perspective in mind that we must test Gorbachev's "new thinking" and explore possible avenues for further reducing East-West tensions.

Mr. Gorbachev's efforts to date provide a basis for cautious commendation. Recent elections in the Soviet Union indicate that political change may be taking place. For the first time in over seventy years, non-official candidates ran against and defeated Communist Party candidates.

As impressive as this event was, we must not lose sight of the fact that 80 percent of the candidates were Communist Party members and in approximately one-fourth of all districts the official candidates ran unopposed. Moreover, no Politburo members were challenged and the overall candidate selection process favored heavily the Communist Party. We must watch closely future trends in Soviet politics to determine the degree to which the Communist Party will allow truly free and democratic elections.

Mr. Gorbachev's announced unilateral measures to reduce Soviet and Warsaw Pact forces in Eastern Europe appear to be a step in the right direction. We will monitor closely the implementation of these unilateral Soviet reductions and those of other Warsaw Pact countries. But when, or if, these reductions are made, the number and structure of Soviet/Warsaw Pact forces will continue to pose a formidable threat to NATO.

In addition, we have yet to see any major reduction in Soviet Military production. Current Soviet rates of defense production are very high—greatly outpacing that of all the other Western nations combined. Any identifiable reductions in Soviet defense production, to date, are usually associated with improving the quality of new weapon systems. If Gorbachev's new thinking is to be taken seriously, we must see a drastic reduction in Soviet military production and an accounting of those systems that are being produced but not deployed in the field. Weapon systems in storage are potentially as threatening as those deployed in the field.

In short, we must ensure that "new thinking" and *perestroika* are not gambits designed to gain access to western technology, credits, and trade. These new principles of Soviet thinking toward the West must be building blocks for better relations, not a means by which the Soviet Union becomes better able to compete in future areas of advanced technologies, particularly weapons technology.

I look to these witnesses to provide the committee with their varied insights and thoughts on the meaning of Gorbachev's "new thinking," "sufficient defense," "common security," *Perestroika,* and the future of Communist ideology in the Soviet Union.

Thank you, Mr. Chairman.

Chairman NUNN. Senator Dixon also has a statement which shall be entered into the record at this time.

## PREPARED STATEMENT OF SENATOR ALAN J. DIXON

### IMPLICATIONS OF GORBACHEV REFORMS FOR U.S. SECURITY

During the past few years, Soviet General Secretary Gorbachev has initiated and carried out sweeping reforms in the Soviet Union which he describes as being aimed at lessening tensions between the East and the West and a promise to improve the lives of Soviet citizens. The Soviets for the first time recently held a modicum of an experiment in relatively free elections. We hear about new reforms and changes almost daily. Gorbachev's policies are not just for domestic consumption only. On the contrary, he is promoting his ideas in Eastern bloc countries and in Soviet satellite countries throughout the world. He is a master politician and a shrewd salesman who has opened many doors and raised hopes for a safer world.

He has made sweeping military changes. He has withdrawn the Soviet Army from Afghanistan, removed troops from Mongolia, pressured for the withdrawal of Vietnamese troops from Cambodia and Cuban troops from Angola. And, of course, he is destroying Soviet nuclear weapons as called for in the historic Intermediate Nuclear Forces Treaty that was signed by the President and approved by the Congress just last year.

In the past few months, Gorbachev has announced he is unilaterally withdrawing hundreds of thousands of Soviet troops, plus tanks and other weapons, from the forward area opposite NATO. And in the recently initiated European conventional armed forces reduction talks, his positions on many issues are similar to NATO positions, thus raising hopes that conventional arms reduction in Europe can indeed become a reality.

As a result of these Gorbachev initiatives, there is a lot of optimism that we are headed for a much safer world. Nowhere is that optimism greater than in Western Europe, where the appeals for less military spending and shouts of Yankee go home are growing.

I caution, however, that our response to Gorbachev's reforms should be deliberate and not reactionary. Gorbachev has not yet reduced his troops and tanks in the forward areas. The conventional armed forces talks for Europe are just beginning, and there are major barriers that need to be removed before a strategic arms agreement can be reached. We must not forget that the infamous Berlin wall still stands as a grim reminder of the military might and posture of the Communist bloc.

The Soviets remain our greatest military and political adversary. We in America must remain strong to deter potential Soviet aggression against the United States or our allies. During the eighties, we have improved our defenses at great cost to the American taxpayer. We cannot undermine this accomplishment by reacting hastily to Soviet proposals, or because of severe budget constraints for that matter.

The Soviet threat still exists and we need a strong defense force to counter this threat. New Soviet military reduction proposals and severe budget constraints notwithstanding, we must be careful to attend to our defense needs. We should not be pressured into something that we will all regret later.

We have several distinguished witnesses here today whose testimony I'm sure will be enlighting. I welcome them and look forward to their comments.

Chairman NUNN. Mr. Horelick, please proceed.

Mr. HORELICK. It is a pleasure for me to be the lead-off presenter at these hearings. In my opening remarks I would like to focus on the connection between change in the Soviet Union and U.S. strategy for managing the West's security relationship with the Soviet Union.[1]

There is a great deal of uncertainty and debate about the changes that are now taking place in the Soviet Union, but on one thing there does seem to be a strong consensus in the West: that the Soviet Union, today, truly stands at a crossroads with a future that is more open to a larger range of diverse possibilities, some of a revolutionary kind, than anyone could have imagined less than 5 years ago.

The uncertainty has to do, not with whether Gorbachev means to change the Soviet Union: it is about the course and the outcome of the change process that he has unleashed. Will Gorbachev survive politically? If not, who and what would replace him? If he does survive, will circumstances compel him to retreat? Or will he persist and perhaps become even more radicalized if he continues to meet resistance, which has been his pattern so far?

Over the long run, what kind of Soviet Union is going to emerge from this very stormy period of its history?

Given the changes that have already occurred, the possibility of even more far-reaching changes in the future and the uncertainties that surround the future, a new policy debate is beginning to shape up as a new American administration settles into office.

That debate is over how the United States and the West generally should respond to these Soviet developments.

I see the emerging debate as between those who choose to focus on the opportunities for major improvements in East-West relations, which they see in the projection of current trends in the Soviet Union; versus those who appear to be preoccupied chiefly with the challenges to the West posed by "Gorbomania" and the lure of what they regard as uncertain promises of Soviet change, rather than irreversible accomplishments.

---

[1] This presentation draws on a recent RAND study by Abraham S. Becker and Arnold L. Horelick, *Managing United States-Soviet Relations in the 1990s*, R-3747-RC, The RAND Corporation, Santa Monica, CA. January 1989, excerpts from which are being inserted in the Record.

People in the former category are concerned above all that unduly pessimistic assumptions and an excessively cautious play-it-safe approach are going to cause us to miss possibly transitory opportunities for real breakthroughs with the Soviets, perhaps inadvertently obstructing positive change in the Soviet Union as well.

People in the latter category are equally concerned that unwarranted optimism about how far and how fast Gorbachev will lead the Soviet Union to a more accommodating position toward the West could cause premature weakening of western security and political arrangements that have served us well for so long against the distinctly uncooperative Soviet Union that we have known in the past.

Some people are worried about missing the boat; others are more worried about rocking the boat.

Now how much has the Soviet Union changed, in fact?

Gorbachev came into office in 1985 expressing an apprehensive view about the Soviet economy and about Soviet society, as well as about Soviet internal and external policy. He spoke about the country being in a state of pre-crisis. Over the next few years, in what has now become a familiar litany, Gorbachev built up a scathing indictment of his predecessors misrule and of the Soviet Union's administrative command system generally.

He charged them with bringing about economic stagnation, assorted social pathologies, and ethnic conflict at home, costly setbacks and isolation abroad.

He undertook to resolve this multi-level "pre-crisis" with a far-reaching program of change that has both domestic and external components.

The hallmarks of domestic Gorbachevism are by now familiar to all of us. They are *glasnost*, or openness; *perestroika*, or restructuring; and *demokratizatsiya*, or democratization. Of the three, *glasnost* has so far produced the most change in Soviet society.

In a remarkably short period of time the constraints on free expression in the Soviet Union have been substantially relaxed. The country may not look much different today, but it sounds like a different place.

Perestroika itself, the process of social transformation, has had rather mixed results. The principal content of restructuring is economic. And this has had two main thrusts: Industrial modernization and economic reform.

The former, modernization, was initially Gorbachev's main concern, but gradually he recognized that the Soviet system itself stood in the way of achieving that goal. And this has implied him increasingly in the direction of more substantial and more radical reform.

Because progress in economic reform has been largely stymied by opposition, by foot-dragging and by inertia, Gorbachev is now pursuing a set of political reforms that are intended to weaken or eliminate anti-reform forces, to break the hold of the ministerial bureaucracy on economic progress, and to curb the party's miscromanagement of the economy, without sacrificing its strategic control.

But bloody disturbances in Armenia and Azerbaidzhan and agitation for economic and political autonomy in the Baltic States, have shown that the relaxation of social controls that are desirable from the point of view of *perestroika,* are having unintended consequences that could threaten the whole Gorbachev program.

Moreover, the March 26 election to the new Congress of People's Deputies, Gorbachev's chosen vehicle for building a power base aside from or apart from the party apparatus, turned into a stunning demonstration of mass political participation and protest that probably went far beyond anything that Gorbachev intended.

Now these same domestic troubles and economic stringencies that fueled Gorbachev's program of domestic reform have also driven important changes in Soviet foreign and security policies.

Under Gorbachev, Soviet foreign policy has quite deliberately been harnessed to the task of creating a more quiescent, a less tense, and a less stressful external environment for what he regards as the priority task of rebuilding the domestic base of the Soviet Union on which not only the future prosperity of the country depends, but also its status as a global superpower in the next century.

Now if that were all there was to the changes in foreign and security policy, than I suppose it would be hard to argue that the Soviet leaders were doing much more than looking for a classic *peredyshka,* a breather, or a temporary pause, in which case, when and if the Soviet Union's domestic fortunes revived, it would be back to foreign and military policy business as usual.

But, in my judgment, more than that is clearly involved, though how much more is quite controversial. And I am sure we will be debating that question during these hearings.

Gorbachev, Shevardnadze and others like them have evidently concluded that pursuit of the Soviet Union's old foreign and military policy agenda was not only imposing an unacceptable strain on the country's resources and energies, they also appear to have taken a fresh look at the military and the political payoffs that have resulted from the enormous investments of their predecessors, and to have found the benefits incommensurate with the costs, and even counterproductive in many respects.

Gorbachev's foreign and security policy changes, which are said to be the product of "new thinking," have been most striking in arms control and in the Third World.

In arms control, these changes, as you know, have included a series of major concessions to Western positions in START and in INF; a major shift on verification; the announcement of major unilateral conventional arms reductions, followed by a first-phase opening proposal in the conventional forces talks that is closer to Western positions than was earlier anticipated.

In the Third World, Moscow has taken steps to terminate Soviet and client military interventions in a number of countries, most dramatically in Afghanistan.

Gorbachev's foreign policy toward the West has been marked by a series of conciliatory declaratory overtures and by generally restrained international behavior since he came into office in 1985.

So what kind of American response is warranted by these changes and trends in Soviet internal development and external behavior? And how should we deal with the challenges and the uncertainties without missing the opportunities?

In my view, a strategy of what might be called step-by-step engagement, to be conducted on two levels, is the most appropriate strategy for the circumstances.

Sure, we have "engaged" the Soviet Union in the past. We did so on a broad front during the years of detente. But, now, there are unusually favorable international conditions for pursuing long-standing U.S. and Western interests on the traditional U.S.-Soviet agenda: controlling and if possible reducing the risks and the costs of the competition.

Unlike the detente period, global trends have been running against the Soviet Union in the 1980s, and the Soviets know it. Whatever Gorbachev's long-term foreign policy plans or intentions may be, the current circumstances of the Soviet Union constrain the Soviet leadership in ways that make it less inclined, at least for the time being, to fish in troubled waters abroad, and make them more open to arrangements and agreements to ease competitive pressures.

So where long-standing Western interests in managing the East-West relationship more safely, reliably and at lower costs intersect with current Soviet interests in providing a congenial international environment for *perestroika,* it seems to me that the case for engagement is compelling and unambiguous.

On that level of engagement this would mean, for example, moving ahead to complete a START-like agreement that would keep the current nuclear arms control regime from unraveling, and that would provide strategic as well as political benefits to the United States and the Alliance.

It means moving smartly to explore common ground with the Soviets in the conventional forces negotiations; it means continuing to cooperate in facilitating the disengagement of the Soviet Union and its clients from regional conflicts; and exploring the possibilities of cooperation in new areas.

On another level, with respect to the possibilities of a much more fundamental transformation of U.S.-Soviet and East-West relations of the kind that Gorbachev calls for in his more millennialist pronouncements, here we should begin a dialogue among the allies and with the Soviets. But here, it seems to me that we have to move more cautiously and gradually.

To move to the much higher levels of cooperation that are envisaged in Gorbachev's December 7, 1988 UN speech, really implies a genuine paradigm shift in East-West relations. This would entail significant changes in the framework of international and Alliance arrangements that have evolved since World War II, including far-reaching changes in Western security structures and strategies.

To engage the Soviet Union politically and diplomatically on this level is therefore a much more complex matter, and far more challenging than pursuing that traditional but important East-West agenda.

It seems to me that to prepare for this kind of a broad, strategic dialogue with the Soviets, our policymakers and our informed public need to begin thinking through and articulating the kinds of fundamental changes in the Soviet Union that the West would need to see in order to have confidence that the Soviet Union is becoming or has become a suitable partner for a fundamentally more cooperative relationship.

We need to ask ourselves what we might regard as persuasive evidence that such changes have actually occurred in the Soviet Union.

And finally, we have to begin asking what the West might be prepared to offer in return.

Soviet policy changes, such as have already occurred, may be sufficient for further incremental progress on the traditional U.S.-Soviet agenda, and we should move to make that progress.

But, for a more far-reaching reordering of East-West relations, the changes required really go to the heart of the Soviet political and economic system, and to its core relationship with Eastern Europe.

Let me just try to illustrate this very briefly. We can talk more about this in the discussion period.

First, there are changes in the Soviet domestic political and economic system.

For democratic states like those in the West, where leaders are accountable to their electorates and are constitutionally constrained, there are limits to the acceptable extent of accommodation with the leaders of an enormously powerful state who can command the resources of their society for potentially hostile purposes with no effective constitutional or systemic constraints, who can change policy course quickly and without warning, and who are under no domestic obligation to debate alternative courses of action.

This is why, in some sense, the domestic evolution of the Soviet political-economic system is a vital foreign policy matter for the United States. And this is why we would have to see evidence, not just in legislation and constitutional amendments passed by a rubber-stamp parliament, but in the actual workings of the political process in the Soviet Union, that there were institutionalized domestic political constraints on the external behavior of Soviet leaders. Maybe such constraints will evolve in time out of the new legislative institutions that are now being created in the Soviet Union, but they have a long way to go.

Second, we would need to see the termination of the heretofore unchallenged priority enjoyed by the military in claims on Soviet human and material resources, and a far-reaching reduction in the weight of the military establishment generally.

For such changes to be enduring, and not merely the possibly temporary consequence of particular political decision would presuppose radical reform of the Soviet economic and political systems.

Such reforms would also be required to open up Soviet defense decisionmaking, including decision-making on military expenditures, to searching public, and therefore, also, searching foreign scrutiny.

Finally, the corollary of the change required in the Soviet domestic political system is the evolution of the socialist states of Eastern Europe toward greater self-determination.

Western willingness to move toward substantially reduced reliance on nuclear weapons and on stationed forces, such as Gorbachev has called for, would depend not only on Soviet force reductions and restructuring, but also on fundamental changes in the nature of the Soviet Union's relations with its Warsaw Pact allies, such that their territories and resources would no longer be so readily at the disposal of the Soviet Union as they have been in the past.

Now what could the West offer in return for such far-reaching Soviet changes?

Initially, the United States could offer assurance that we prefer to deal with the Soviet Union rather than to squeeze it during a period of adversity and difficult domestic change. This kind of assurance from a new administration would be taken seriously in Moscow, because there is concern there that Gorbachev's concessions are being perceived in some quarters in the West as signs of weakness, calling not for Western reciprocation, but for still more pressure.

If and as changes in the Soviet Union deepen and become less readily reversible than they are now, the Soviets could hope for accommodating Western responses across a wide range of issues of long-standing concern to the Soviet Union: They could look forward to a reduction in the pace and scope of Western military competitive efforts, especially in high-technology areas of Western advantage. This could be linked to progress in the elimination of Soviet offensive advantages.

They could look forward to Western agreement to consider further nuclear reductions, which the Soviets seek, as the conventional balance is made more acceptable to us, and as Eastern Europe achieves more autonomy.

They could look forward to wider acceptance of the Soviet Union as a full-fledged participant in the world community. And they could look forward to progressive liberalization of Western political restrictions on trade, acceptance into international economic organizations, such as GATT and IMF, and ultimately, perhaps even to Western economic development assistance in parallel with the transformation of Soviet system and its foreign policy.

To conclude and sum up. Changes that have already occurred in Soviet internal development and external behavior justify vigorous and expeditious U.S. engagement with the Soviet Union in joint efforts to reduce further the costs and the risks of managing the still dominant competitive aspects of our relationship.

A fundamental reordering of East-West relations that would shift the balance between competition and cooperation sharply toward the cooperative pole would require much more far-reaching and enduring institutionalized change in the Soviet Union.

We need to be monitoring Soviet developments carefully to see if such changes are beginning to occur. And we should be prepared with our allies to explore new horizons in relations with the Soviets if, and as warranted, by the changing condition of the Soviet Union.

Thank you.

Chairman NUNN. Thank you, Mr. Horelick.

General Odom.

## STATEMENT OF GEN. WILLIAM E. ODOM (U.S. ARMY, RET.) DIRECTOR, NATIONAL SECURITY STUDIES HUDSON INSTITUTE

General **Odom**. Thank you, Mr. Chairman.

Good morning, Senator Nunn and members of the committee. It is always a pleasure to appear before you. But I have found that in the past it is a challenge because Senator Nunn, in my experience, asks very tough questions, and today I find no exception. He has asked me to divine the strategy inherent in present Soviet foreign and military policy.

The first step to finding such an answer is to ask what accounts for the recent changes in Soviet policy. They are, in my view, a response to an intersecting set of domestic and foreign developments or factors. I have spelled those out in my written testimony in some detail, so just let me enumerate them here.

On the domestic front, the Politburo faces a declining economic performance, a lethargic and corrupt party bureaucracy, and a deep-seated ideological disillusionment among the intelligentsia and the youth.

On the foreign policy and military fronts, the Politburo faces a defeat in Afghanistan, a staggering military burden, restricted and reduced East-West economic interaction, an economic burden from several Third World clients, and the failure of enormous military capabilities to create the kind of foreign policy leverage that Moscow seems to have expected them to yield.

For this committee in particular, I would like to emphasize that you have played a role in this. You have supported a qualitative arms competition with the Soviet Union, a competition they clearly are losing. They have built more weapons, but we have built better weapons, weapons that their industrial base cannot provide, and the general staff of the Soviet Union recognizes that.

As Professor Huntington pointed out a number of years ago, all arms races are not necessarily bad. The historical record seems to be that while quantitative arms races have tended to lead to war, qualitative arms races have tended to become surrogates for war.

You have supported a qualitative arms race, and the result has been peace and a favorable turn in Soviet policy. I hope you keep that in mind as you consider the Defense budget for the future.

In the same light I think you ought to consider the record of East-West economic interaction. Denial of technology and credits has played a key role in this qualitative competition. The question you must face is whether or not it is yet time to relax the competition. In my own judgment, it is a bit too early.

Now to examine present Soviet strategy. In the simplest terms, it seems to be to make the Soviet Union competitive with the West, not just in the military sector, but also in the economic and political sectors. Gorbachev realizes that marginal changes are not enough to do this. A very major reordering of priorities is required.

This raises a basic question. Is Gorbachev bent on a fundamental break with the Soviet strategy of the past? Is he determined to make the Soviet Union a status-quo power? Or is he merely seeking a breathing spell in order to compete more effectively in changing the international order later on?

I do not know the answer to that question, and I do not believe anyone can say with confidence what the answer is. This means that we must find policies that allow us to deal with either answer as events unfold, policies that do not foreclose dealing effectively with either line of Soviet development.

Let me summarize briefly the logic of Soviet domestic strategy. Gorbachev inherited a lethargic and stagnant bureaucracy, one that has not been purged for more than two decades. Glasnost looks like a policy to rally a coalition of the intelligentsia, giving it public voice to create a moral atmosphere justifying the removal of large numbers of bureaucrats.

The Soviet media is criticizing the bureaucracy, and it is doing that without mercy. It is virtually demanding major changes in the leadership at all levels.

Perestroika to date, if it has meant anything, has meant changes in personnel. This is obvious in the new faces in the Politburo, in the Central Committee Secretariat, and in the Central Committee itself.

Of course, perestroika ostensibly is meant to improve the economy, but while new laws have been promulgated, the results are imperceptible.

I should also note that perestroika in the military is showing signs of result. Not only have there been major changes in personnel, but the military seems to have accepted the idea of a defensive doctrine and reduction in forces.

These domestic changes are not risk-free. They can easily create unintended consequences. We see this in the pattern of behavior in the national minority regions, and efforts by the intelligentsia to undercut the official ideology. Glasnost has allowed many groups to advance their own agendas, and many of which are incompatible with Gorbachev's.

This raises another major open question. Can he control all these forces, or will they eventually determine the actual outcome of Soviet policy development? Again, I cannot give you an answer. In fact, it is difficult to know precisely where Gorbachev stands on these issues. Unlike past times, today it is difficult to know what the Communist Party's general line is in the Soviet Union.

We can make serious errors in judgment today by trying to infer precisely what that line is from some of the competing agendas. Our own media is not always careful in this regard in making a clear distinction, and that has in many cases led the American public to believe that more change has actually occurred than in fact is the case. Economic reform and military production strike me as two areas where the popular impression may be wide of the reality.

In foreign policy, Soviet strategy seems to have three components. First, it seems to seek to convince the West that the U.S.S.R. has become a status quo power. Second, it is based on a potentially cheaper military force posture. Third, it involves cutting the cost of some Third World commitments.

On the diplomatic fronts, the goals of the strategy seem to be four: First, to weaken NATO and the U.S. position in Europe; second, to break our position in Asia, which is based or anchored in China and Pakistan; third, to deny U.S. gains in the Third World where the Soviet Union is withdrawing; and finally, to create diversions for the United States in regions where the risks to Moscow are very small.

On the military front, the goal seems to be to seek a reduction in the U.S. presence in Europe, to shift the emphasis from nuclear to conventional forces, to undercut the air-land battle and qualitative arms competition by moving to a defensive posture, and finally to make nuclear weapons unusable even for deterrence.

On the economic front, the strategy seems to be to find more efficient mechanisms for technology transfers (I would cite East-West joint trade ventures in that respect), and to create a larger and better basis for sustained long-term credits.

This comprehensive offensive in foreign and military policy involves more than a traditional Soviet peace offensive. It appears designed for several years, maybe a decade or more. Like the domestic strategy, it carries dangers of unintended consequences.

Let me cite some. First, foreign indebtedness could exceed the Soviet ability to repay. It will have to repay with commodity exports, primarily oil and gold. Oil prices do not look good in this regard.

The only promising industrial sector that could export effectively is the arms sector. But do we want the Soviet Union to repay us with monies earned from arms exports to the Third World?

Second, Soviet propaganda may create excessive expectations in the West about domestic economic reforms. Disillusionment could be followed by distrust and hostility among out publics.

Third, the disillusionment could also come from Soviet Third World strategy. Moscow is not retreating everywhere, only in some places.

Fourth, an upheaval in Eastern Europe or in one of the union national republics could lead to a bloody repression by Soviet forces and policies authorities. How would we react in that event?

Fifth, suppose Soviet strategy succeeds in Europe. A declining sense of threat and U.S. withdrawal may lead to a sense of the European house that Gorbachev has offered.

In that house, a number of old problems will surface sharply, particularly German reunification and irredentism in Eastern Europe. The record of peace in the European house is not good, especially one in which nuclear weapons have lost their deterrent role and the continent has been made once again safe for conventional war.

I admit to a certain puzzlement over Soviet strategy in this regard. Perhaps Gorbachev believes he can maintain the peace while getting the western Europeans to pay for their security with economic assistance.

The record of Soviet diplomacy in maintaining the peace between the wars, however, first playing Germany, then France and Britain, and then Germany did not lead to a stable situation.

In this light it is worth underscoring what the conventional arms talks are really about. They are primarily about the military coupling in the Atlantic alliance that our ground force, I believe, do more to ensure than the nuclear commitments, and they are about the future political alignment in central Europe.

There will be a tendency to become mesmerized by the numbers and the negotiations and the great opportunities they seem to pose, and to lose sight of these basic political and military implications of the talks.

Let me conclude with some observations about the outlook for Soviet strategy.

In the military area, if Gorbachev carries through his unilateral troop withdrawals, I think he will reduce greatly the threat of a short warning attack, but he will not remove it. He will simply make it take months, not weeks, to prepare. While the static balance will be changed, Moscow remains in a better position to alter rapidly that static balance if U.S. troops are withdrawn.

The outlook for the Soviet peace offensive seems quite good. It is making considerable progress in Western public opinion. Economic reform, I think, has a much dimmer outlook in the Soviet Union. The obstacles are enormous, and the progress to date is not encouraging.

The outlook for political reform is mixed. While I would not anticipate a transition to genuine political democracy, I do not see how a conservative backlash could take things all the way back to where they were before Gorbachev.

Overall, therefore, I am inclined to believe that perestroika will slowly fall, but we should not be overly pessimistic about that because after a few years, I suspect that we will see another try at basic reform, one that starts from a better position than the present attempt.

Thank you.

[The prepared statement of General Odom follows:]

# SOVIET STRATEGY IN MILITARY AND FOREIGN POLICY

By Lt. Gen. William E. Odom, USA (Ret.)
Director, National Security Studies
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Good morning Mr. Chairman and members of the Senate Armed Services Committee. It is a pleasure to appear before you today, but it is also a challenge. My experience over the years with Senator Nunn has been to be faced with critically important questions that are difficult to answer. Once again he has presented that challenge by asking me to divine the strategy of present Soviet military and foreign policy. While I am glad to accept it, let me caution you that my answer is tentative and based on highly imperfect information. As you will see, it leaves some large open questions.

One must begin by asking what accounts for the dramatic changes in Soviet policies we have witnessed over the past three years. They are, in my view, a response to a set of intersecting factors confronting the Soviet leadership. Let me list them:

A. On the domestic front the Politburo faces:

-- a declining economic performance, a greater decline than even the most skeptical Western analysts estimated;

-- a lethargic and corrupt party bureaucracy;

-- a deep-seated ideological disillusionment among the intelligentsia and youth.

B. On the military and foreign policy front the Politburo faces:

- a military defeat in Afghanistan;
- a staggering military burden that helps account for the poor economic performance;
- restricted and reduced East-West economic interaction;
- the economic burden of several Third World clients;
- the failure of enormous military capabilities to create the kind of foreign policy leverage they seemed to have expected it to yield.

Several of these factors are organic to the Soviet system. They are created by the nature of a command economic system, rule over a multi-national empire, and a long period with no purge or broad-based administrative shake-up that Stalin and Khrushchev periodically forced on the party and state bureaucracy. Others are the product of Western policies toward the Soviet Union over the past decade. For this committee in particular, I should underscore the relevant U.S. military policies because you have played a key role in contributing to the on-going transformation in Soviet policy. For a decade you have supported the largest U.S. military buildup in the postwar era. That is clearly a strong factor in Soviet calculations. It may look pale when compared to the twenty-five year Soviet military buildup, but it has confronted the Soviet military with a particular kind of challenge it is least able to meet. The U.S. military has not outbuilt the Soviet military in a quantitative sense, but is has excelled the Soviet military in a qualitative sense.

This first began to affect Soviet military thinking with the appearance of new weaponry connected to our Air-Land Battle doctrine. While the Soviets were building more tanks, artillery, and aircraft than the U.S. and its allies, they realized that changing U.S. doctrine, which was taking advantage of new technologies in conventional weaponry, could potentially undercut the advantages they were creating with their own large forces on the Central Front. The costs of meeting this challenge were large, and they depended on having a modern industrial and technology base in the Soviet economy which simply did not exist and was not likely to be created in the near future, particularly with little access to Western technology through trade.

Similar effects on Soviet military thinking were produced by our stealth technology, improved naval weaponry, and of course, our Strategic Defense Initiative.

It is important that this committee keep the record in mind in considering future U.S. military force developments. I hope you will think of it in the context of Professor Samuel Huntington's analysis of several years ago when he examined the record of arms races. Quantitative arms races, he concluded, have often led to war, but qualitative arms races have tended to become surrogates for war. The record of the past ten or fifteen years seems to vindicate his conclusion about qualitative arms races. We have challenged the Soviet Union in quality of arms, and the result has been a stable international condition. We have not challenged them in quantity of arms.

The important point is that not all arms races are necessarily undesirable. In fact, the recent record suggests some can have desirable consequences. Moreover, in judging the proper future U.S. military policy, one must be cautious about declaring victory in the qualitative arms race too early and letting the opponent retire from the competition for a few years to regroup and counter-attack. In my own judgment, it is clearly too early to relax the competition. Too many questions remain about Soviet intentions and General Secretary Gorbachev's ability to carry through his announced policies.

I believe you should have the same sense of caution about trade and credit policies toward the Soviet Union. They too have played their part in the qualitative competition. I also hope you will make this point to your colleagues on other relevant committees in the Senate.

Let me now turn to Soviet strategy. In the simplest terms, it seems that Gorbachev's objective is to make the Soviet Union competitive in the world in three dimensions -- economic, political, and military. To achieve this objective, he realizes that it will require more than minor adjustments. It requires a major re-ordering of priorities and basic structural changes in all three areas -- economics, military, and political.

Such an objective, of course, raises a basic question. Is Gorbachev bent on a fundamental break with past Soviet domestic and foreign policy? Is he determined to make the Soviet Union a status quo power? Or, is he seeking a breathing spell in order to pursue traditional Leninist policies more effectively in trying to change the international status quo later on? No one knows the answer to this question, but Gorbachev's policies and some of his actions are sufficient to make it a serious, not merely a rhetorical question, as it has been until recently. There is a danger that we will assume an answer to this question, either yes or no, without adequate evidence. Please resist that temptation. We must find policies that will allow us to deal with either answer as events unfold, policies that do not foreclose dealing effectively with either line of Soviet development.

I see five components in Gorbachev's strategy for reaching his objective. Two are domestic and three are related to foreign and military policy.

On the domestic front, he is striving to revitalize the party and state apparatus, to overcome its lethargy and corruption, to make it respond to new challenges. Second, he seeks a revitalization of the Soviet economy.

On the foreign and military policy front he is combining a sweeping peace offensive with a plan for reducing and restructuring the military in line with a more defensive military doctrine. These two components are mutually supporting, diplomacy being used to compensate for a draw down in military capabilities.

The third component, vastly expand East-West economic interactions, aims to secure foreign assistance in revitalizing the Soviet economy.

The diplomatic component also appears to relate to economic reforms because it includes not only making the U.S.S.R. seem to be peace-loving and unaggressive but also able to establish long-term and complex economic relations with Western industrial states.

One is struck by the all encompassing scope of these components. Each implies major change. At the same time, they fit together in a cohesive fashion. Their interrelations become clearer as we examine each in its implementation.

First, through glasnost, Gorbachev is creating a moral and political climate that justifies reform and a major re-shuffling of party and state officials. He has unleashed the intelligentsia, giving them full voice in the media to criticize the failings of the officialdom and many aspects of the system -- economic, legal, and political. They have risen to the challenge as any reader of the Soviet press can attest. A cacophonous chorus can be heard on topics heretofore unmentionable in the Soviet media.

Perestroika seems to be Gorbachev's response to the voices of glasnost. Glasnost indicts individuals and policies for their poor performance. Perestroika is the program to right these wrongs. In practice it has meant the removal and replacement of bureaucrats and officials at all levels, most strikingly in the higher echelons of the party. It has also meant reorganization and change of the economic and political processes. The recent elections for the Supreme Soviet are a case in point. These two aspects of perestroika are intertwined. Reorganization and elections help purge bureaucrats; at the same time, they may help improve economic performance. To date, however, perestroika's results in purging bureaucrats is more impressive than its effect on economic performance.

Glasnost and perestroika are not risk-free. They have already generated some not very happy consequences for Gorbachev. All people taking advantage of the liberties created by glasnost are not wholly in sympathy with Gorbachev's aims. They have their own political agendas, some of them quite at odds with Gorbachev's. It is difficult to classify all of these forces, but the more visible ones include neo-Stalinism, Russian nationalism, neo-populism, and several minority nationalisms, especially apparent in the Baltic republics.

A major unanswerable question arises from this aspect of glasnost. Can Gorbachev control these forces? Can he make them work for his programs? Or will they create dynamics for change that cannot be controlled and directed by the party and the KGB? It is impossible to predict; yet an answer is essential for judging where Soviet policies will go in the decade ahead.

You may find Western analysts of Soviet affairs who will give you confident answers to this question. I would be cautious about accepting them, however, because I doubt that even Gorbachev could give you a sound answer. A major problem we face in assessing trends in the Soviet Union is knowing which are intended by Gorbachev and the Politburo and which are intended by other factions and groups. It used to be fairly easy to decipher the party "general line" from the press. Glasnost has made that extremely difficult. We can make serious errors if we confuse the agendas of unofficial groups with Gorbachev's agenda in trying to infer what Gorbachev actually wants to achieve.

Mistaken assessments of this sort are important to avoid in judging Soviet economic reform. Many articles in the Soviet press and much Western reporting lead readers to believe Gorbachev has already taken major steps to put the Soviet economy on a market basis, letting supply and demand determine production. While there has been much talk about it in the Soviet Union, actual progress in this direction has yielded trivial change at best. The Soviet economy remains centrally controlled, and most prices are set by the State.

Now let us consider the components of foreign and military policy. They not only seem more developed but also more successful than the domestic components. Like Lenin's "peaceful coexistence" policy in 1921, Gorbachev's peace offensive is breath-taking in its scope and many dimensions. In fact, it is as dramatic as the change of Soviet policy in the 1920s. And it has similarities, especially its coupling of dramatic changes in domestic policy, the NEP (New Economic Policy), with changes in foreign policy, "peaceful coexistence."

Let us review the three components of Gorbachev's foreign and military policy. First, he seeks to convince the West through diplomacy that Moscow will behave like a status quo power for the foreseeable future. Second, he seeks a cheaper military policy and at the same time, one that allays Western fears for their own security. Third, he is struggling to develop a new kind of East-West economic interaction that will rescue the Soviet economy.

Under the diplomatic components, the short and mid-term goals appear to be at least four. First, to weaken NATO and the U.S. position in Europe; second, to break the U.S. position in Asia which is anchored in China and Pakistan; third, to deny

U.S. gains in Third World states where Moscow is reducing its commitments; and fourth, to create problems and diversions for the U.S. in regions of the Third World where the risks and costs are low for Moscow.

Short and mid-term goals for Gorbachev's military policy include first, to reduce the U.S. presence in Europe. Here the emphasis is shifting from nuclear to conventional forces. Second, he wants to avoid a qualitative arms race. By shifting to a defensive stance in the Warsaw Pact and pushing for conventional force reductions, he makes it difficult for the U.S. to sustain the Air-Land Battle doctrine and the qualitative competition in developing new high-technology conventional weapons. Third, through arms control and propaganda, he seeks to make nuclear weapons unusable. Here he is attacking Western nuclear deterrence strategy. If Gorbachev can get Western publics to accept his view that nuclear weapons can have no political utility, how can they support the nuclear umbrella for Europe? Nuclear deterrence strategy is precisely the use of nuclear weapons for political purposes.

The short and mid-term goals of Gorbachev's economic component include, first of all, a scheme to create cheaper and more efficient means of technology transfers. Joint ventures are the most conspicuous vehicle designed to serve this purpose. Second, he is building a basis for access for a long time to large Western capital credits. Settling with British investors who hold Tsarist bonds is an indication of the extent of this scheme. It removes long-standing legal obstacles for British banks. Other Soviet activities, especially in banking, are numerous and seldom transparent to Western publics. We do not understand very well the workings of this aspect of Soviet foreign economic policy, but a recent book on the topic by Judy Shelton, The Coming Soviet Crash, throws considerable light on the subject. Third, Gorbachev wants the West to help him re-train his white collar work force. It clearly cannot cope with the changes he has in mind for the economy. Thus he is sending them to school in the West to learn industrial management, finance, and other skills.

This is a very brief summary of the major components of Soviet strategy toward the West, and it omits many details and lesser aspects. It should, however, give you some idea of its scale, its rationale, and its cohesion. It is not a traditional Soviet peace offensive such as we have seen before, in the 1930s, the 1950s, and the 1970s. Not only is it more complex and extensive; it also seems to be designed for a longer period than in past cases. It cannot produce much of value for Moscow unless it can be sustained for a decade or more.

Gorbachev's strategy toward the West, like his domestic strategy, carries the potential for some unintended consequences. For example, it could easily create a level of Soviet indebtedness that cannot be repaid on schedule. The larger the credits, the greater the chances of this outcome. The Soviet capacity to handle such indebtedness will depend on two factors. First, the Soviet economy will have to grow in a way that it has not done for several decades. In his fourth year in office, Gorbachev can point to no significant economic improvements. Why things will improve in the next five years is far from clear. Second, pay back of credits will depend largely on the prices of the major commodities the Soviet Union can export, primarily oil and gold. The only industrial products the Soviet economy exports successfully are weapons. Soviet gold reserves are an unknown, and the price of oil does not look good for Moscow. Does the West want it credits paid back by arms exports to the Third World? East-West economic policy, if not thought through, could face us with just such questions.

A second possible unintended consequence is the creation of excessive expectations in the West about Soviet domestic reforms. As they falter, move slowly, or fail to occur, the present euphoria in the West about glasnost and perestroika could change quickly to disillusionment, distrust, and possibly hostility.

Disillusionment in the West may also come from Moscow's Third World strategy. The Soviet peace offensive is encouraging the belief that Moscow is greatly reducing its commitment to the international class struggle, to national liberation movements and so-called anti-imperialist insurgencies. Withdrawal from Afghanistan, pressing Vietnam to withdraw from Cambodia, and not blocking a settlement in Namibia and a Cuban reduction of forces in Angola are Soviet actions to match the words. It would be a mistake, however, to infer the true nature of Soviet Third World strategy from these events. Clearly there is a retrenchment, a reduction of costs, but that does not necessarily mean a withdrawal from the competition.

Mounting evidence suggests that in a number of places, Soviet tactics have changed, not strategy. Moscow is refusing to underwrite the costs of all comers who profess loyalty to Moscow. Instead, key leaders, military and political, from governments and insurgent movements, are being trained in

Moscow, tied to Soviet clandestine controls, and sent back into their governments, parties, and movements with directions to reach better relations with Western governments. The aim is to get Western assistance to pay their bills while they slowly insinuate pro-Moscow cadres into their regimes, especially high-ranking military positions. This is a lower cost tactic. How well it will work is yet to be seen.

Another tactic is to exploit international organizations and private groups, getting them to provide funds clandestinely for pro-Soviet elements in the Third World. The New People's Army in the Philippines may receive this kind of support as well as Sendero Luminoso in Peru. Publicly these movements posture as though they have no Soviet ties and are even hostile to Moscow.

When continued Soviet arms sales and transfers are added to Soviet Third World strategy, a picture emerges not of withdrawal from the competition but a basic shift in tactics. When the veneer of this deceptive strategy is stripped off by events and emerging evidence in a few cases, it may come as a considerable shock to those who have taken the Soviet peace offensive at face value.

A third kind of unintended consequence could be an upheaval in East Europe or a bloody repression of a national minority movement in the U.S.S.R. How the Western publics would react to such events is uncertain. Some in Europe would try to overlook them, and similar reactions might be found in some circles in the U.S. On the whole, however, the American public reaction is not likely to be one of indifference. It is more likely to be one of moral indignation.

A fourth set of unintended consequences are far more serious for Western security. Suppose for a moment that Soviet stratgy toward Europe is sufficiently successful to bring about a considerable reduction of U.S. ground force presence on the Central Front. To achieve this, of course, would require large Soviet reductions, larger than the announced unilateral reductions. As the image of a Soviet military threat declines, and as the U.S. presence in NATO drops, a series of new problems will emerge in Europe. The question of German reunification will be pushed onto the political agenda along with all the problems it has traditionally involved. Irridentism in East Europe is already resurfacing, and a declining Soviet military presence would allow it to become greater. Whether progress in the European Community's economic integration could continue on schedule would fall into question. Greece and Turkey would probably feel obliged to give their differences more attention. Other such problems could surface.

I am somewhat puzzled in this regard by Moscow's call for a "European House." The record of peace in that house is not good. Of course, some Soviet officials have declared that they do not want the U.S. wholly out of Europe. But once the withdrawal starts, are they sure we can stop it at a significantly lower level? Moreover, even if we can, are they sure we will be able to exercise the same stabilizing role we have maintained since 1945? Perhaps Gorbachev believes he can entangle the West Europeans in general and the Germans in particular to pay for their security through sustained economic assistance to the Soviet Union. One can understand why that is an attractive goal for Gorbachev, but it comes with considerable risks, especially if it succeeds. Stalin pursued such a strategy toward Germany after Rapallo in 1923, and it brought unhappy results. He was no more successful when he began to play the French and British cards in the mid-1930s. And he insured war by turning once again to Germany in 1939.

Even more puzzling is the Soviet insistence on denuclearizing Europe in this context. A European House without nuclear weapons and without U.S. troops would once again be safe for conventional war.

In light of these potential developments, it is important to realize that the conventional arms reduction negotiations are not only about arms reductions. Implicitly they are also about military coupling of the U.S. and West Europe, and they are about a possible major political realignment in Europe. It will be easy to become mesmerized by the numbers and forces offered in these negotiations and to lose sight of what is basically at stake: the cohesion of the Atlantic Alliance and the political division of Europe.

Gorbachev's strategy toward the West, therefore, is as filled with ambiguities and dangers as it is sweeping and imaginative. I would encourage this Committee to keep these possible unintended consequences in mind as it deals with both arms control and U.S. military force posture. If we take Secretary Gorbachev at his word and cooperate in mutual force reductions and accede to his requests for economic assistance, and if he remains true to his word, it is far from clear that the Atlantic Community will be more secure and war less likely.

You should also keep these concerns in mind in dealing with U.S. military assistance policy in the Third World. Given the likely massive transfers of modern arms to the Third World in the next decade, wars are likely to be more frequent and on a larger scale, even if Gorbachev does stand aside from the competition in those regions. The evidence, however, suggests that he will not stand aside where the risks and costs to Moscow are not great. It is my personal view that we should not surrender the arms market in the Third World to Moscow and our allies. We should get back into the sales competition, selling to all sides. And we should expand our IMET program dramatically. Past reductions in IMET cost us ties with many foreign armies. Foreign officers trained in the U.S. take back not only military skills but also a better understanding of our political system. IMET may do more for transmitting democratic values to Third World leadership than most of our other programs intended for this purpose. This is especially critical for Latin America. It is an area where we can count on Moscow and Havana to pursue a policy of training military cadres and insinuating them into key leadership positions. Why we should stand aside from this low-cost competition is far from clear.

Let me conclude with some observations about the outlook for Gorbachev's strategy on both his domestic and foreign fronts.

In the military sphere, he appears determined to reduce present Soviet military forces while he restores the economy to a level that it can provide more modern future military power. Whether he can carry through on the reductions is uncertain. We will not know for two or three years. If his success at perestroika in the military is no better than perestroika in the economy, the announced reductions are not likely to be carried to completion. If he does succeed, the military situation in Central Europe will indeed be altered. The large scale offensive which the Soviet military has worked for several decades to be able to execute could not be launched on short notice. It would require months, not weeks, to prepare. That could still be done, however, under conditions of ambiguous warning for NATO. In other words, while the static balance would be altered very favorably for NATO, Moscow would still be in a position to reverse it much more quickly than NATO. The political impediments and disinclination to act in response to ambiguous warning would be enormous both in Europe and in the United States.

The outlook for the Soviet peace offensive is good. It is having its effect in many Western circles. In this regard, it is interesting to note that the House Armed Services Committee listened to testimony recently from A.A. Kokoshin, a Soviet citizen who works in an institute in the Soviet Academy of Sciences noted for its sustained endeavors to influence American opinion favorably for Moscow.

The outlook for perestroika in the Soviet economy is not good. The new economic law for the firm, promulgated in July 1987, has introduced more confusion to date than improved economic performance. Gorbachev's recent efforts to force through more latitude for private farming in the agricultural sector are a positive sign, but they may not yield better results than the new law for the industrial firms. The private cooperative movement is having mixed success at best, and it involves only a trivial part of the economy to date.

The outlook for political reform is mixed. Gorbachev's attempt to shift the center of political gravity to the state organs from the party will not change much if it amounts only to making the communist party apparatus and the state bureaucracy merge instead of allowing opposition political parties to develop. Moreover, events in the Baltic republics and in the Caucasus among national minorities are seriously disturbing some of Gorbachev's Politburo colleagues. As their fears increase, they may put the brake on political reforms.

Given the difficulties, one is inclined to say that the question is not whether Gorbachev will succeed with perestroika but rather how and when he will fail. This is not to suggest that things will go back to normal in the Soviet Union. Much ferment has been catalyzed by glasnost. Some of it will survive until another round of perestroika is tried several years in the future after a period of conservative restraint. In the meanwhile, it is much too early for the United States to declare the Cold War over, East-West competition dead, and our security problems ended.

The United States has a great challenge in deciding how best to exploit the Soviet opening, how best to encourage the positive trends without prematurely risking our security and the system of security alliances in Europe and East Asia that have worked so effectively over the past forty years. Gorbachev's strategy at once creates unique dangers for us as well as unique opportunities.

Chairman NUNN. Thank you very much, General Odom. Dr. Meyer.

## STATEMENT OF DR. STEPHEN M. MEYER, ASSOCIATE PROFESSOR OF POLITICAL SCIENCE, MASSACHUSETTS INSTITUTE OF TECHNOLOGY, CAMBRIDGE, MA

Dr. MEYER. Thank you, Mr. Chairman, members of the committee. I appreciate the opportunity to be here this morning. I did not have a chance to complete a prepared written statement for the committee before leaving from Boston. I would like the opportunity to submit one as soon as I return.

Chairman **Nunn**. That will be fine.

Dr. **Meyer**. Political, economic, and military concerns have placed before this committee the issue of changing Soviet military policy and its implications for U.S. defense. I think that perhaps at no other time in the last 30 years has this issue been more relevant to U.S. defense policies than it is now.

The foundation of changing Soviet military policy is what has been called generally Gorbachev's new political thinking on security. And my sense is that this new political thinking and the changes that it seems to imply do not represent short-term measures. I do not see these changes as representing a temporary breathing spell of just a few years while Gorbachev deals with his deficit problem. I do not see them as deception to lull the West into a false sense of security after which the Soviet Union would spring some trap on us, and I do not see it as a short-term deal between Gorbachev and the Soviet military establishment.

Rather, what I see is a long-term strategy designed to make the Soviet Union an enduring superpower, a complete superpower. Bill Odom used slightly different words to describe the same thing, but essentially I believe that in reviewing where they have been the last 20 years, the Soviet political leadership today recognizes that military power—being a military superpower—was just not enough and that indeed in the world of the 1990s and beyond it will not amount to very much at all.

The Japanese GNP has passed that of the Soviet Union, while the integrated European economy will be a major technological power and economic power beyond that of the Soviet Union and Eastern Europe. I think these developments frighten the Soviet leadership, and for that reason the Gorbachev strategy is designed to build up the political, economic and technological legs of the Soviet Union to ensure that it is indeed a real superpower in the years ahead. I think one has to understand the new political thinking on security in that context.

The foundation of Gorbachev's strategy—and I think this is linked both domestically and internationally—is to use innovative security policies such as negotiation by concession and unilateral moves to reduce the threat facing the Soviet Union.

Now, we talk about it in terms of disengaging the United States from around the periphery of the Soviet Union, but from the Soviet political and military standpoint, it is reducing the threat facing the Soviet Union. And if he can do that, if he can convince his colleagues in the Politburo that he is doing that, that enables him to reduce the long-term resource demand in the Soviet defense sector.

That in turn allows him to use these resources that would have gone into weapons production to rebuild the economic and technological infrastructure of the country. And that is the basis of his strategy.

And it is essential—and I will return to this at the end—it is essential for him to demonstrate to his colleagues in the political leadership that this strategy does allow the Soviet Union to reduce the threat facing it and thus lead to a net gain in security, and that is what Gorbachev means when he talks about political measures being able to attain more security than military technical measures.

Now, I have written extensively about the specific doctrinal details of the new political thinking on security, and I will not go into them now, but basically what Gorbachev has attempted to do over the last several years is lay out a doctrinal and ideological framework that allows him to pursue this strategy of concession and unilateral action in a way that legitimizes it within the Soviet system and sets the tone for a reduction in resources going to the defense sector over the longer term.

Let me then turn to two areas of modernization, more specifically strategic force modernization and conventional force modernization.

In the area of strategic offensive forces I believe that both the Soviet political and military leadership accept the notion of an equitable strategic parity. I think this has been actually in the works for quite a while and what Gorbachev has done is solidify it and make it more concrete.

I believe that the political leadership and in many cases the Soviet military leadership accept the negligible, if not negative, marginal utility of further growth in the quantity of offensive nuclear arms, given parity.

And finally, I think that there is a general recognition among the Soviet military leadership that they have to move towards a balanced nuclear triad, and indeed this has been underway for the last decade. It precedes Gorbachev, and I think what we are likely to see in the years ahead. Quite independent of the new thinking but in fact reinforcing it is a much greater role for submarine launched ballistic missiles, bombers and cruise missiles in the strategic force posture, and a relative decline in the role of ICBMs.

And I think we are going to see increased emphasis, as we do already, on ensuring the survivability of that force and reduced dependence on launch on warning and preemption as the foundation of Soviet strategic offensive policy.

What I find curious when I look at the new thinking is the continued work on the SS-18 follow-on. That strikes me as an anomaly. It certainly is inconsistent with the views articulated by Gorbachev and the informal cadre of civilians around him.

But one might simply explain that as a bargaining chip for START; you continue to modernize your most potent counterforce strategic weapons as part of the trade-off in the hope of getting something in return in the START agreements. But I really do find this somewhat of an anomaly, and it seems to me if Gorbachev wanted to make a grand gesture in the strategic area, that a halt in ICBM modernization would have been it. And the fact that it has not happened suggests a number of alternative explanations, one of which would include that the political leadership and military leadership see the strategic nuclear balance as much more in line than they did the conventional balance or, as I said, the bargaining chip strategy.

In the area of strategic defense let me first mention air defense forces. Here it is unclear to me which way one would expect to see Soviet air defense move in the next decade. On the other hand, if the defensive aspect of Gorbachev's new thinking holds out—the idea that a military posture should be based on defense rather than offense—one would expect a substantial expansion of the Soviet air defense forces.

On the other hand, based on the resource need and what Gorbachev wants to do with the industrial infrastructure of the country, one might predict a contraction of the air defense forces because, in fact, air defense is one of the biggest consumers of what I would call previous resources. The issue for Gorbachev is not to save rubles. Rubles do not do very much for him.

What he needs to do is divert the previous resources of computers, robotics, communications technology, optical systems, microprocessors, special materials away from defense production and into the production of producer goods. And air defense system really consume these kinds of resources.

I cannot say at this time which way he is likely to go. My guess is the preference would be to expand air defense for military reasons, contract it for resource reasons and thus lead to significant confusion in the near future.

In the area of SDI/ballistic missile defense, the Secretary of Defense has said that SDI was oversold, and I think he is quite right, and that was an understatement when one talks about Soviet SDI. The Soviet Union has certainly been heavily involved in strategic defensive programs actually since the mid-1950s and never really cut back on its basic research and development.

But to say that the Soviets have an SDI program is, in fact, a deception. The Soviet Union does not have a single integrated strategic defense program designed to focus and produce a specific architecture for ballistic missile defense by a specific date. Rather, the Soviet strategic defense program is what the United States was doing before SDI was created. It has a large array of diffuse programs spread throughout the research institutes run by a number of different organizations, all exploring the many technologies, and it is not a program designed to produce a given architecture.

Yes, they are looking at space-based systems, yes, they are looking at ground-based systems and air-based systems, but it is a diffuse R&D program and it is no different than what has been going on since the 1950s, and I think we need to keep that in mind and not portray it as the SDI program that we have had here since 1983. In either case, any effort to deploy a major ballistic defense system in the U.S.S.R. would set back the technological modernization of the Soviet economy. This would directly contradict Gorbachev's policy goals.

Last, in civil defense I think the Soviet leadership—both the political and the military leadership—has learned some very important lessons from the Chernobyl experience and the Armenian earthquake. In particular they learned at Chernobyl that when there is a massive radiation hazard but no physical destruction, cleanup problems are still manageable, though extensive and very tricky. The size of the Soviet military force that is in the Chernobyl area still involved in cleanup and will still be involved in cleanup in the years ahead is quite large.

On the other hand, from Armenia they learned that without radiation but massive physical destruction, you cannot do anything. No roads are cleared, all equipment was destroyed. All the people that were assigned to civil defense were killed and people and equipment had to be flown in from outside the region in order to begin that cleanup.

Now, if you put the two of those things together, massive radiation hazard and physical destruction, it gives you a rough idea of what a single nuclear warhead on one of these cities would be. If you think about 200 major Soviet cities suffering that kind of consequence, there is no place from which civil defense, medical, and repair crews or equipment could come. And I think this is one of the big shocks that came across to both the Soviet political and military leaders.

The upshot of that is in the Soviet military press there has been a recent emphasis—which has never been there before—on the use of civil defense for natural disasters rather than military disasters, and I guess that given the state of Soviet reactor designs, I would put reactor accidents in the category of natural disasters as well.

Last, there is the question of deep underground shelters which the Soviets have indeed been involved in, and that is somewhat of an anomaly if you believe Gorbachev's statement that no one could win a nuclear war. But I am not so sure that is a big problem because in fact that program has been going on for 40 years and most of the investments there were long paid off. What we probably see is the completion of a program that has been long underway. There are a lot of reasons that you can justify that internally in the Soviet Union, and I do not consider that a litmus test of Gorbachev's thinking. What they are wasting there is concrete and steel more than anything else.

So, what are the implications of all this?

Well, again, I am surprised that there have been no grand gestures in the strategic forces area by Gorbachev, outside of the willingness to discuss mutual large scale cuts, though frankly in the context of the Brezhnev years this is quite a change in Soviet policy. I would have expected to see some kind of unilateral action, either holding back on the SS-18 follow-on or, in fact, some cut in that force, but that has not occurred.

Nevertheless, I think there are opportunities to reach a significant strategic offensive arms agreement that reduces the forces on both sides in an equitable way, and I think the only implication for us at this point is to show restraint as a unilateral gesture. We are not very good at making things that we do appear to be unilateral gestures and indeed, that is what the Soviets are very good at. And I think we need to consider options for attaining our strategic goals by other than new programs.

On the conventional force side there are two aspects to Gorbachev's new thinking, and here is where we have seen grand gestures. On the one hand there have been the announced unilateral reductions and the details of these have been well publicized and so I will not go over those. But the important thing is that they have received tremendous attention in Europe and the United States, and they have led to and I think they will continue to lead to increasing political pressures for some comparable U.S. demonstration of creativity.

What is really interesting to me about the unilateral reductions that Gorbachev announced is that he seems to have gone down the list of concerns that everyone has ever listed about why the Soviet posture in Europe is threatening. It is really quite remarkable. He could not have done better in that regard, and it is quite likely what we are seeing here is the influence of Soviet academics who have good contacts in the West and who have been advising Gorbachev on what to do.

And, putting aside the fact—and I think it is not insignificant—that these are quite phenomenal cuts in some ways, I think the military implications are much less than has been publicly discussed.

First of all, they are scenario-dependent. If you subscribe to the short warning attack thesis, if you believed in the standing start scenario where one morning Gorbachev would get up and he would be in a grumpy mood and he would turn to the chief of the general staff and say: "you know, I have had it. Let us attack Western Europe." And within 48 hours Soviet forces would be moving. Then indeed these cuts are very significant, and those who subscribe to the short warning attack should look at them as very serious cuts that essentially deny the Soviets that option in the short term.

But if you believe in the long mobilization attack, if you believe that the Soviet military could not launch a serious campaign against Western Europe without extensive conventional force mobilization, and that has certainly always been my view, then you are much less impressed with these cuts because in that scenario they do not make that much of a difference.

Again, that is from the military side. If you view the initial East/West asymmetries in Europe as being substantial, then you certainly do not want to respond to these unilateral cuts. Because if Gorbachev is attempting to rectify these asymmetries, we should not exacerbate them again by cuts of our own.

On the other hand, if you think the asymmetries were relatively minor, then a response is possible. The bottom line here for me is I do not believe that there is a military justification for grand U.S. gestures to reward Gorbachev.

Having said that, the political implications, however, are much more serious, and I am not in a position to analyze those at all, and that is the confluence of U.S. domestic politics and alliance management.

Some gestures may be warranted for political reasons. My own view is that restraint represents such gestures, and again, we ought to be better at publicizing that.

The second aspect of the conventional force changes involves restructuring along defensive lines, and here there are several aspects. One is organizational restructuring.

The Soviet military establishment in every single instance of altering military doctrine and strategy, has begun with organizational change. Realigning units, reassigning units, changing the shape of those forces. And I believe we will see that in the years ahead with Soviet forces in Eastern Europe.

The second aspect is re-equipping those forces, if one is to believe Gorbachev and his advisors. This means deploying special high-tech defensive weaponry that does not pose a threat to the West, but is very capable of defending the East from attack. And here I think there is an inherent contradiction.

The high tech, high resource intensive defensive weaponry that many of Gorbachev's advisors talk about, will consume the very resources that Gorbachev wants to steer towards rebuilding the industrial base. He cannot do both. If he is going to start putting in all his high-tech precious resources into re-equipping the Soviet armed forces with only defensive arms, in fact, he is going to do more damage to the Soviet industrial base than if he kept on going the way he was originally.

And, therefore, I conclude that in the near term, the changes that we are going to see in the Soviet forces in Eastern Europe, assuming Gorbachev continues on, will be organizational and engineering, in terms of the construction of fortifications, and not technological—at least not over the next 10 years.

The military implications of this, I think, is that there will be few significant military changes in equipment in the Soviet Armed Forces, but more important structural and organizational changes that we are going to have to follow.

On the political side, however, I think that the political implications may be quite strong, as perceptions of changes of Soviet intent shift faster than actual Soviet capabilities.

So let me just make a few concluding points here. First of all, the new political thinking, as I said, is inherently Gorbachev's. Many of my colleagues will argue that it is irreversible, and many Soviets will say that it cannot be changed. But, of course, every Soviet leader has to argue his policies are irreversible, or the bureaucracy would never do anything.

And in this particular case, I think Gorbachev's policies are quite reversible. You know, there is a large territory between the old Brezhnev policies, and the new Gorbachev policies. And we have seen in the past major shifts of this type, which were almost completely reversed, and it would not take a complete reversal to bring us back to a period where the Soviets do not play the way they are playing now in security and arms control.

And so I am concerned about the durability of the new thinking, because I see it very much a product of Gorbachev, not the result of deterministic forces, and not the result of a consensus within the political elite that this is the way to go.

I think Gorbachev has been able to do what he has been able to do, and, indeed, people inside the Soviet Government have made this argument that Gorbachev has gotten as far as he has, because there is no consensus against his policies at the present time. And that is quite different than saying there is a consensus for it.

So, the new political thinking, in my view, has yet to produce major, militarily significant changes. But, actually, I would not have expected them for years anyway, and so I do not consider this a lack of validation that this is a serious doctrinal or strategic change.

The new political thinking has produced politically significant changes, especially with respect to assessing the potential intent of Soviet military policy. And here is where the unilateral cuts in Europe do matter.

And I think, from our standpoint, that it warrants serious reconsideration of the standard assumptions of U.S. defense policy. The ones that we have been working on for the last 20 years. I do not believe this is the time to initiate massive cuts in U.S. defense programs. I do not believe they are militarily justified. I think it is too early to gauge the durability of the new political thinking. Perhaps in 5 years the situation will be different.

And I do not think there is a need to reward Gorbachev. On the other hand, it is also not the time to accelerate the U.S. defense effort, nor to pursue what I consider to be politically destabilizing programs. Politically destabilizing in the context of the domestic situation here, that with our allies, and for Gorbachev.

And let me make one quick brief for Gorbachev. I think it would be a mistake to undermine Gorbachev's creditability at home within the political leadership, and his ability to pursue policies that we consider useful. And I would consider his pushing of intrusive, on-site inspection, his willingness to allow for asymmetric trade-offs in arms control, his willingness to cut forces unilaterally, are things that are good for us.

And again, I believe he was able to do those, and I was told in some cases, explicitly, what the discussions were about, that he was able to do that because there was no consensus against it.

And so I think that we do not want to hurt this guy while he is doing things that we consider useful. In particular, we do not want to invalidate the Gorbachev strategy of reducing the threat to the Soviet Union via concession, because this makes him vulnerable to political opposition within his own government.

An example of that would be compensating nuclear forces in the aftermath of the INF Treaty. That is precisely the kind of thing that I believe can undermine Gorbachev's creditability at home. He argued that the INF Treaty, even though it involved larger Soviet reductions, was a net gain for Soviet security, because it removed a particular threat.

If we go and we compensate for those reductions by forces that are legally allowed, in fact, we undermine that argument.

And so I think we need to be very careful in that area, if we want to give this fellow the chance to continue these policies.

What about the durability of a new political thinking? I think we have to realize our own military behavior does affect its prospects. Now, I doubt that we can make it last longer than the inherent domestic situation in the U.S.S.R. will allow, whatever its natural life is, I cannot guess, but I do not think we can make it last longer. But I do think that we can shorten its natural life by inappropriate action, and that is where we need to be careful.

Thank you.

[The prepared statement of Dr. Meyer follows:]

Statement of

Stephen M. Meyer

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## CHANGING SOVIET MILITARY DOCTRINE AND STRATEGY

Political, economic, and military concerns have placed before this committee the issue of changing Soviet military doctrine and strategy and its implications for U.S. defense policy. The committee's interest is well placed, because it would be as much a mistake to ignore these nascent changes as it would be to take them at face value.

The ongoing changes in Soviet military policy are based on a conceptual foundation that is popularly known as Gorbachev's "New Political Thinking on Security." This is framework of ideas that -- if accurately reflecting current Soviet leadership thinking -- is a significant departure from traditional Soviet concepts of security.[1] It basic principles include:

o War avoidance is a basic goal of Soviet military doctrine;

o Accidental/inadvertent nuclear war is the primary threat to Soviet security, not a deliberate US/NATO attack;

o Security is mutual; Soviet security is inherently tied to the security of other states;

o Political means can more effectively improve Soviet security than military-technical means;

o Soviet military policy should be based on reasonable sufficiency;

o Soviet military strategy should be based on defensive (non-provocative) defense

There are three related motivations behind Gorbachev's campaign to revise Soviet military policy. First, the Soviet industrial economy is in shambles. The precious high-technology resources that are almost completely consumed in weapons production are needed to rebuild the technological and industrial infrastructure of the country.

Second, the Gorbachev coterie has come to recognize that Soviet superpower status -- which is based solely on military power -- is in jeopardy. They realize that economic, technological, and diplomatic power will as crucial as military power in determining the international pecking order in the decades ahead -- if not more so. Watching the economic, technological, and political development of Europe, Japan, and perhaps even China has them worried about the durability of Soviet superpower status. Military power, while still a cornerstone of superpower status, is not sufficient. Accordingly, Gorbachev has set about the long-term strategy of attempting to reduce the technological-economic requirements of Soviet security policy. The goal is to head off massive new investments of precious resources -- to forego future investments -- in defense in the decade ahead. There is little interest in short-term gains that might be achieved by forsaking sunk costs in defense; thus one should not expect to see the gutting of current programs.

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[1] For a detailed discussion of the origins and ideas underlying Gorbachev's new political thinking on security see my: "The Sources and Implications of Gorbachev's New Political Thinking on Security," International Security, Vol., No., (Fall), pp. .
13 2 124-163.

Third, the Soviet leadership has come to view its security policy of the 1970s and 1980s based solely on military power as a failure. Indeed, from their perspective Soviet foreign policy in general did not fair well during the Brezhnev era. Thus, the search for a new approach to Soviet foreign and defense policy -- an approach that does not lean on military force as heavily as in the past.

I wish to emphasize that in my view the changes in Soviet military policy brought about by this new political thinking are not intended to be short-term "tactical" measures. They are not intended to provide a temporary "breathing spell" to correct some singular deficiency in the Soviet economy or budget. The economic and industrial problems in the Soviet Union are chronic, requiring more than a decade of structural investment, tooling, and restructuring. They are not a cunning deception to lull the West into a false sense of security. Too much domestic political capital has been spilled for the new thinking to be "theater." Political opponents have lined up on different sides of the issue, some fundamental social and political boundaries have been crossed in pursuit of these new policies. In short: there have been individual and institutional winners and losers.

Nor does the new thinking reflect some short-term "deal" between Gorbachev and the Soviet military establishment: where short term cuts in military procurement are traded off against a promise of massive expansion with high-technology weapons in the 1990s. When all the evidence is examined closely, it is quite clear that the military establishment as an institution is suffering far more than a temporary weapons procurement lag.

Mr. Gorbachev is attempting to impose a long-term shift in resource flows away from defense procurement and towards the industrial base. This is not an exchange of guns for butter; it is an exchange of guns for machine tools, industrial technology, and economic modernization. Unless he can impose long-term shifts in resource flows, he cannot hope to succeed.

In order to clear a path for reducing Soviet defense requirements, Gorbachev is using innovative policy measures, such as negotiation by concession and unilateral restraint and reductions, to motivate the West into reducing its own military capabilities facing the Soviet Union. By reducing the military threat to the Soviet Union, Gorbachev can then argue for a corresponding reduction in Soviet long-term defense requirements.

As my comments suggest, I believe that the tone, pace, scope, and approach of the these changes in Soviet defense policy are closely linked to Gorbachev, the man. They are not universally shared among the Soviet political leadership and they are not, as some of my academic colleagues would have us believe, the product of some deterministic force in Soviet or international politics.

Gorbachev has been able to proceed down this road because there has been a lack of consensus against his approach; not a consensus supporting it. Right now, there is no group within the leadership with a better idea. Many here and in the Soviet Union say that the USSR cannot revert to Brezhnev-style policies, that Gorbachev's innovations are irreversible. This is, however, a false dichotomy. There is lots of territory between the policies of Brezhnev and those of Gorbachev. The Soviet leadership need not retreat very far backwards to eliminate substantially those aspects of Gorbachev's policies that are most welcome in the West.

Therein lies my concern. As I said earlier, the new political thinking is not intended as a short term policy fix. Yet the question remains: Are these changes durable? Could the decline of Gorbachev's political power, or a change in the Soviet leadership result in a significant reversal of his defense policies? At present, I know of no evidence that suggests these policies have any greater durability than those "irreversible" policies instituted under Stalin, Khrushchev, or Brezhnev. It is clear that Gorbachev has similar doubts and he is attempting to "institutionalize" these policies via reforms of the political process in general and the defense policy process in particular.

Let me now turn to specific areas of Soviet military policy.

## Strategic Forces

There is good evidence that the Soviet political and military leadership accept the notion of equitable strategic parity as the basis for modernizing their strategic forces. Within this framework, it also appears that they perceive the declining, if not negative, marginal utility of further growth in the quantity of offensive nuclear systems. Parity at lower levels is viewed positively by the political leadership and positive-to-neutral by the military. Thus, Soviet willingness to negotiate significant reductions in strategic forces is not surprising.

**Offensive Forces:** Soviet strategic modernization appears to be proceeding along lines established prior to the new political thinking: balancing the Soviet strategic triad while retaining significant counterforce capabilities in their ICBM force. One the one hand, the SS-18 follow-on will enhance Soviet counterforce capabilities while, due to its silo basing, remaining vulnerable itself to a corresponding U.S. counter-silo attack. The SS-24 and SS-25 mobile ICBMs will improve the survivability of Soviet ICBMS, thereby reducing their dependence on launch-on-tactical-warning for ensuring retaliatory capabilities.

Predictions made a few years ago that submarine launched ballistic missiles (SLBMs) and bombers would come to play proportionately greater roles in the Soviet strategic force appear to have been accurate. This is true both in terms of mission assignments and proportion of force loading. This will remain true irrespective of START, but given the bomber counting rules currently being considered a START agreement (where a bomber is counted as a single launcher) is likely to enhance further the role of the bomber (armed with cruise missiles) in Soviet strategic planning.

What is curious about all this is that, since the abortive Soviet unilateral nuclear test moratorium, Soviet strategic policy has not shown any of the innovative flair that has characterized their approach to conventional forces. For example, Gorbachev has not made any grand gestures in this area. Why, for example, did he not announce some form of unilateral strategic force restraint, if not reduction? Why not halt the SS-18 modernization program as a gesture to the new thinking? [If nuclear war cannot be fought or won, why continue to build a dedicated counterforce weapon?] Is it because there is general consensus that strategic parity already exists, that there are no substantial disparities between the US and Soviet strategic postures, and that this parity is fragile? Is the SS-18 follow-on merely a START bargaining chip? Or, both?

**Air Defense Forces:** The implications of the new political thinking for Soviet air defenses are contradictory. On the one hand, the emphasis on defensive concepts (non-provocative defense) could reinforce priorities to national air defense. On the other hand, modern air defense technologies are some of the heaviest consumers of optics, electronics, computers, special materials, etc. These are precisely the kinds of resources that Gorbachev wishes to shift to rebuilding the industrial base.

Given the increasing air-breathing threat to the USSR from other countries around its periphery, the potential spread of nuclear weapons to these countries, and the START counting rules that offer incentives to build up bomber-cruise missile forces, I suspect that there will be a general reinforcing trend in Soviet air defense developments.

**Strategic Missile Defense:** Secretary of Defense Cheney has correctly observed that SDI was "oversold" in this country. The same can also be said of the threat of a Soviet SDI. The Soviets have a strong, but diffuse, R&D effort for strategic missile defense. This has been true for 30 years. While one should not ignore the scope of the Soviet effort, it is equally foolish to hype it as an integrated effort aimed at defining and deploying a viable strategic defense architecture comparable to the US SDI. Soviet R&D on strategic missile defense is not the product of strong political [or military] forces attempting to break out of the ABM treaty or naive beliefs about rendering America's retaliatory capability impotent. Indeed, we now know from Soviet sources that a space-based missile interceptor project was explicitly rejected by the Soviet leadership in the early 1980s -- prior to President Reagan's SDI announcement.

There is no evidence that the new thinking has had any substantial effect on these research efforts. If it has had an effect, it has been to dampen ill-considered suggestions from within the military establishment that the Soviet Union be prepared to deploy a missile defense system in the wake of a comparable American decision. I do not expect to see any change in these research efforts over the next decade.

**Civil Defense:** I believe that the Chernobyl' nuclear accident and the Armenian earthquake have severely tempered whatever enthusiasm there may have been for the notion that civil defense efforts could radically alter the consequences of a strategic nuclear strike against the Soviet Union. The discussions appearing in the Soviet military, scientific, and public literature are quite explicit in this regard.

Chernobyl' amply demonstrated the logistical and operational problems associated with activities in an environment mildly contaminated with radiation. It does not take much imagination to contemplate what things would be like if 250 Chernobyl's occurred simultaneously. Moreover, there was not physical destruction caused by the Chernobyl' accident. Thus, air and ground traffic were not hindered, and supplies and equipment were readily available.

The Armenian earthquake was an illustration of how massive physical destruction could completely undermine civil defense capabilities -- even in the absence of any radiation hazard. One need only look at the size of the effort required to contain the destruction to realize that an equivalent multi-city undertaking would be totally impossible.

Now add the two events together -- radiation and massive physical destruction -- and multiply that by a factor of ten for each detonating nuclear warhead hitting a city, and then multiply by several hundred cities and you get the picture of the civil defense burden. I believe that the Soviet leadership now understands this quite well.

There remains the "anomaly" of the deep underground shelters provided for the leadership. One must keep in mind that we are seeing the tail end of a 40 year program. The sunk costs are long since paid off and the efficacy of the program is much greater than that for general civil defense. I do not believe that one can read intentions from this program, any more than one can divine American intentions from our NEACP programs. I see no reason why Gorbachev would cancel or undo these efforts in light of the new thinking, since the opportunity costs at this point are negligible.

## Conventional Forces

The impact of Gorbachev's new thinking on security is certainly evident in the area of conventional forces. This is where we see some grand gestures. In particular, Gorbachev's announcement of a unilateral reduction of 500,000 Soviet troops with special cuts in the European region is noteworthy. The details of this cut are well known, so I will not dwell on them. An important point is that them seem tailored to address the very specific concerns of western defense specialists: tanks units, air assault units, river bridging equipment, etc. One can only wonder if this is not the influence of Soviet policy academics on Soviet defense policy?

Is this unilateral cut militarily significant? The answer depends on the scenario to which you subscribe. If you were an aficionado of the "short warning attack" scenario in which Soviet forces would launch an offensive against NATO with little more than a week of preparation, then these cuts must be seen as military significant.

However, if you always found that scenario incredible; if you believed that Soviet forces were incapable of launching such an attack; if you instead subscribed to the mobilization scenario in which the Soviet Union required several months to prepare a serious conventional offensive, then these cuts are much less impressive. I confess that I have always rejected the short warning scenario as a serious Soviet option. I do not think that there ever was a sound basis for ascribing such a strategy to them.

At the same time, these cuts do not fundamentally alter the asymmetries in the East-West military confrontation in Europe under the mobilization attack scenario. With withdrawal of 6 Soviet tank divisions would significantly change the force balance after 120 days of mobilization. Hence, I do not see great military implications in the announced unilateral cuts.

However, this is not to say that the cuts are politically insignificant. What Gorbachev seems to be doing with these cuts is attempting to dispel any notion that the Soviet Union is capable of carrying out the "short warning attack," irrespective of whether they actually every incorporated such an option in their theater strategy. He is freeing NATO from the bonds of its worst case scenario. This is indeed important. And as the Soviets are now fond of saying, security is more than just the accumulation of military means. So it is fair to say that Gorbachev's announced unilateral cuts will alter the security environment in Europe.

Another aspect of changing Soviet military doctrine and strategy is the restructuring of the armed forces, ostensibly along more defensive lines. The first stage will be organizational restructuring: changing the mix and linkages among existing forces. This will continue for many years into the future. There is some evidence of moving towards more streamlined structures, such as brigade-corps units.

There is also increased emphasis on engineering aspects of defense: fixed defenses, fortifications, traps, obstacles, etc. This represents an important addition to traditional Soviet military thinking.

Both these developments, however, are rooted in military developments that predate Gorbachev's new thinking. These are things that the military was pursuing in the years 1979-1984, partially in response to NATO's evolving FOFA and deep strike theater war concepts. From its domestic institutional standpoint, it makes good sense to wrap these developments in the new thinking. Certainly the pace of these changes -- and perhaps their scope -- were accelerated by the General Secretary's new approach. And it is doubtful that the Soviet military ever contemplated force reductions on it own, though the forecast manpower shortage may have provided some incentive to think about some streamlining.

Over the longer term Soviet civilian and military spokesmen have talked about reequipping the armed forces with high-technology defensive arms. This approach was apparently adopted at the 19th Party Conference in June 1988, and is now reflected in the military press under the heading "the qualitative approach to defense development." While this qualitative approach is good in theory, in practice it is much more problematic. In particular, the development and production of high-technology weapons will compete for the very resources Gorbachev needs to rebuild his industrial base. This is the real guns vs. butter tradeoff. Moreover, the cost of this equipment transition will be enormous, even with reduced forces. In short: I believe that there is an inherent contradiction between the plan to rebuild the industrial base and the plan to reequip the armed forces with high-technology defensive weaponry. If economic priorities remain oriented towards the industrial base, it is likely that the defensive restructuring of the armed forces over the next decade will be confined largely to organizational efforts and fortification construction.

Here again, I think that in the near terms these changes will have fairly modest military implications. The war we would fight in Central Europe in 1995 would be much like the one we would have fought in 1985. The political implications of these changes, however, are more substantial.

## CONCLUSIONS and IMPLICATIONS

The fact that Gorbachev's new political thinking on security has not yet produced changes of great military significance is not surprising. As I have said before, I would not expect any such thing for many years. This does not invalidate the essence of Gorbachev's new approach to Soviet security policy.

The changes in Soviet doctrine and strategy do hold important political significance, especially in assessing the "intent" of Soviet military policy. In particular U.S. defense budget politics and NATO alliance management are very sensitive to impressions of the nature and immediacy of the Soviet threat. As Gorbachev promised, he is taking away the image, if not ultimately the reality, of the threat as we have portrayed since the end of World War II. Neither the U.S. public nor our European allies are immune to these changes.

I do not believe that this is the time for initiating massive unilateral cuts in the U.S. defense posture. First, there is no military justification for it. If Mr. Gorbachev wishes to rectify force balance asymmetries via unilateral action, we should encourage him. We should not respond, however, with unilateral cuts that reinstate those imbalances. Second, it is too early to gauge the durability of the changes in Soviet military doctrine and strategy. Perhaps in 5 years the situation will be clearer. Third, there is no need to "reward" Gorbachev for doing things that are prudent and long overdue.

That said, I also do not believe that it is smart or appropriate to accelerate the U.S. defense effort or to undertake actions that intentionally or unintentionally call into question the wisdom of Gorbachev's new political approach to security. It would be a mistake to undermine Gorbachev's credibility at home and his ability to pursue policies that are positive from our standpoint. There is no military or political justification for such a course of action, and, in fact, it would be self defeating in the long run. I would put the idea of "compensating TNF deployments" -- including the LANCE upgrade -- in this category. Such actions invalidate his strategy of threat reduction via concession and makes him vulnerable to political opposition from conservative elements in the political leadership and the military.

Ultimately, we must realize that our military behavior will affect the durability and future manifestations of changing Soviet military doctrine and strategy. One the one hand, I doubt that we can make it last longer than its "natural life" whatever that may be. On the other hand, we can probably shorten is natural life by inappropriate and short-sighted actions.

Insum, I believe that we can respond to the political importance of recent changes in Soviet military doctrine and strategy by showing restraint and by considering options for attaining our security goals by means other than new weapons programs. We may have an opportunity here to achieve mutual security arrangements that were unimaginable 5 years ago. It would be tragic if our "old thinking" got in the way of our pursuing what may be transient opportunities to enhance western security.

Thank you.

## STATEMENT OF CHRISTOPHER DONNELLY, DIRECTOR, SOVIET STUDIES RESEARCH CENTRE, UNITED KINGDOM MINISTRY OF DEFENSE

Chairman NUNN. Thank you Dr. Meyer. Mr. Donnelly. Again, we are delighted to have you.

Mr. DONNELLY. Mr. Chairman, thank you very much, indeed, for inviting me, although I am not absolutely certain I should thank you for introducing me as an "expert" in the British Army. "X" is a mathematical unknown quantity, and a "spurt" is a drip under high pressure. And I think that probably describes my position here fairly well.

Thank you, too, for mentioning my status. That really is by way of an explanation, and does not indicate the placing of any restriction on me. The Soviet Studies Research Centre is a small, independent "think tank," which works exclusively from Soviet sources. We do not have an institutional position on any issue. We do not have anything to do with Intelligence, and we do not use classified material.

Our job is to see the world through Soviet eyes, and to present that view. So I cannot tell you anymore than I can tell the British Government what is to be done. I am just going to try and say what we think Gorbachev is up to.

I would like to start by pointing out one or two of the major differences between their military system and ours. First, they have a thing called a General Staff, which no nation in NATO has got. This organization has for many years had complete authority on planning for defense in the Soviet Union indeed, until very recently a monopoly of authority. For the last 70 years, the same General Staff has been the only adviser to the leadership of military matters, and that is a particularly significant point.

It is that advice which turned the Soviet Union over the past 40, 50 years into a war machine, a situation which today is giving Gorbachev so many of his problems.

The General Staff is a very strong institution, and Gorbachev cannot ride roughshod over it. He needs to reduce its influence on policy without destroying its ability to plan for war.

The way the General Staff has organized the Soviet military system is to make the best military fighting capacity out of a poor economic and industrial base. First, they have done this by developing the system on a cadre basis of military organization. Soviet military formations are basically training units, training a large reserve for mobilization in the event of war. From a Soviet point of view NATO consistently overestimates the importance of Soviet ready forces, and consistently grossly underestimates the importance of the Soviet capacity to generate reserves.

Second, the whole Soviet General Staff system has developed its way of planning for future war on the basis of mathematical calculation of its operational options for future battle.

In the 1970s, when the Soviet Armed Forces moved away from concepts of nuclear war (war which were bound to be nuclear because NATO relied on nuclear retaliation alone), to concepts of war with an extended conventional phase, the Soviet General Staff calculated that, given current weaponry, the density of forces that is, the ratio of force to space is as important as if not more important than, the correlation of forces (that is, the ratio of force to force).

Such a density of forces can be achieved by NATO today that, using Soviet calculations, it can be shown that no amount of Soviet conventional superiority could achieve a rapid, conventional victory unless NATO could be caught totally by surprise.

Third, the Soviet General Staff has created a procurement system which has succeeded admirably in making a silk purse out of a sow's ear, that is, in turning the poor products Soviet economic base into very effective weapons. As a general rule, the Russians can produce weapons which are almost as good as most comparable Western systems, for half the cost and in half the time. I think we make a mistake if we assume that Soviet weaponry is significantly inferior to ours.

Their concern, however, is not for today but for the future. Their massive investment in the military has beggared their own economic system, and although for the present they can compensate for Western technological advantages by clever engineering, the potential for the development of weapons based on emerging technolgy, and our capacity to produce these in industrially important quantities (and their incapacity to do that) is what poses them a particular threat in the future.

I agree entirely with the preceding speaker on the terms of the reorganization and restructuring of Soviet forces. Structure is a child of function, and I think it important to say that we have seen a significant restructuring of Soviet forces over the last decade to make them more versatile, to give them a greater capacity for both defense and offense. The renewed study of and exercising of defense predates Gorbachev, as does this force restructuring.

I would like now to recap on one or two of the military and political factors, which seem to me to be driving Gorbachev's current policy.

One thing for certain, the force reductions announced last December are only a start. He needs drastically greater cuts, if the defense cuts are going to have any impact on funding of the economic restructuring.

I apologize for the complexity of the points I am going to raise, but I am reminded of Murphy's 7th law. For every difficult and complex question, there is always a perfectly simple, straightforward wrong answer.

First, the real threat to the Soviet Union, the only military threat to the Soviet Union's existence is posed by nuclear weapons. There is nothing else that could destroy the Soviet system. The fewer nuclear weapons NATO has, the fewer ready conventional forces the Soviet Union needs, because in Soviet eyes, a conventional—only attack on the Soviet Union, is totally incredible. Therefore, as a second point reducing nuclear threat fulfills, from the Soviet point of view, two specific functions: the significant reduction in conventional forces which this would make possible is needed not just to provide investment to develop the whole economic base of the country, but also for the modernization of the Armed Forces themselves. Third, Gorbachev cannot afford long-winded and detailed negotiations, because time is not on his side as the standard of living in the Soviet Union is consistently dropping, and the population is not pleased.

If he were a U.S. President, he would be coming up for reelection, and there is no doubt that, on the basis of his domestic performance he would not get in.

Fourth, the Soviet Union to fuel reorganization, restructuring, and modernization, needs each and free access to Western technology, finance, and particularly industrial expertise. This cannot be achieved unless the threat perception in the West is reduced.

Fifth, there are strict limits to the extent to which Gorbachev can afford to alienate the general staff. He isn't like a president or a prime minister. He is not so powerful. He has to negotiate to achieve his policies.

Sixth, technology is changing the nature of battle very, very rapidly. Past concepts of planning and calculating are becoming less reliable. This links in with the technical developments of the future, which are going to change the face of the battlefield.

Modern weapons that are being developed are going to be equally versatile, from the Soviet point of view, in attack or defense. This is particularly true, for example, of things like air defense weapons. We think of anti-aircraft weapons as being something demonstrably defensive. Believe me, in the Soviet view, they can be used to support an offensive just as easily.

Current force structures that we see in the Soviet Armed Forces are, by their own calculations, not suitable to the needs of tomorrow's battle, nor to exploiting the characteristics of the new equipment which they are at the moment producing.

To maintain a high tempo of advance and high mobility on a future battlefield, so as to avoid getting bogged down in a destructive slogging match, the Soviet Army needs the lowest possible force density on the battlefield consistent with its own cohesion.

The final point is that the general staff still believes that it is absolutely essential to maintain an offensive capability if defense is to be effective. When General Gareyev came to London just before Christmas, and sat around in a similar forum with British military officials, he said he thought the defensive defense was military nonsense. I am sure that he was speaking what he saw as the truth.

In addition to these facts, I would like to remind you of what Gorbachev has actually said. First, he has stressed the need for rapid and deep cuts. He has promised to reorganize every division in East Germany, to reduce their strength in tanks, and suggested a 50 percent increase in anti-tank and anti-aircraft weapons in forward defense sectors.

Second, Gorbachev is encouraging force cuts in Eastern European countries. Third, he promises that we will see by 1991, Soviet Armed Forces in Eastern Europe adopting a "clearly defensive character." Fourth, he has set in motion reform of the general staff. Fifth, he has begun starting his own reforming of the conscription system, and improving the means of rapid mobilization. Sixth, he is pushing the Soviet Armed Forces to speed up its reorganization, and to improve its training and tactical doctrine.

If you add these factors together, and add the fact that he cannot afford possibly to say these things if he does not expect to see them through (otherwise, he would destroy his credibility in a big way), then, I think we should expect to see really significant changes in Soviet force structure and deployment in Europe over the next couple of years.

I would like to suggest what might be the most likely lines that these changes will take, although I do not think it is possible to say for certain, even for a member of the Soviet General Staff, yet to say what it will be like for certain, because I believe them to be still in the process of development.

First, I think we will continue to see a maintenance of a strong border covering force by the East German border troops. Second, I think we may well see the creation especially opposite the U.S. and West German Corps areas of fortified regions with extensive in-depth all-around terrain fortifications manned by Soviet and East German forces, and saturated with anti-aircraft, rapidfire anti-personnel, and anti-tank weapons.

Third, I think we will see the reorganization of Soviet mobile forces into more balanced and versatile formations, withdrawn from border areas, and deployed as counterattack forces. Other groups of Soviet forces in other Warsaw Pact armies will probably follow suit. It is interesting to note that the Hungarian army has already gone over to a new kind of organization.

Fourth, I think we will see the gradual disbanding of airborne divisions, and their reallocation as airborne brigades deployed in depth as an integral part of mobile, combined arms formations.

Fifth, I think we will see the reduction of displaced forces to cadre status with a 15 or 20 percent nucleus of regular officers and senior NCOs, only requiring conscripts for mobilization.

A cadre division is not like a British Territorial Army (TA) or a U.S. National Guard Division. In the British TA and the U.S. National Guard system, almost all of the command cadre of officers as well as the soldiers are part-timers. As reservists, their promotion depends more on the ability to find free time than it does on the ability to command. There is a big quality gap between regulars and reserve combat units. In a Soviet cadre (Category 3) formation, on the other hand, virtually all the command elements are regulars who have done a 4-year course at the equivalent of a Soviet West Point, and the quality *differentiation* between the Category 3 and the Category 1 formation is much less marked, as the former need only fully-trained reservist ex-conscripts for mobilization.

I think we are going to see the reorganization of military districts to cope with this new training and mobilization role and to establish defensive regions. After all, structure is the child of function. The structure as it is now is wrong for this new function which Gorbachev has introduced for the Soviet Armed Forces.

Furthermore, I think we will see the development of the theater command system to include some of the command tasks previously done by military district, and the reorganization of the current five arms of service to take account of the increased importance of space defense and its coordination with air defense. The combined armed nature of a future battle may well do away with the need for a separate Air Force, and show the need for unified rear area and mobilization organization.

The advantages that such reorganization will confer are several. First, it will guarantee the effective defense of Eastern Europe and the U.S.S.R., but could do so at approximately half current ready force levels.

It will permit the reorganization of combat forces along more versatile lines to keep pace with the demand of new tactics and technology. The new formation structures will not be defensive structure. They will be more capable for both attack and defense.

It would enable forces of different quality to be used less competent forces in the defensive zones, higher quality troops with better command and control deployed as mobile counterattack forces.

It will allow the general staff to retain its offensive capability, which it is determined to do.

It will be much less provocative to the West, because it will appear, certainly more obviously defensive.

It will ease the integration of land and air operations, and it will render the Soviet forces less vulnerable to the use of new technology weapons by NATO, because of their ability to create fortifications and deploy in depth. And, moreover, it will permit intrusive verification without significant loss of security.

You have got to bear in mind that reasonable defense sufficiency—the term used to describe this reorganization—is not an element of doctrine, it is the product of doctrinal thinking. It is a tool of policy. It should help achieve the political objectives of Gorbachev, that is as my colleagues have said, to reduce the threat from the West, especially the nuclear threat, to reduce the need to compete by retarding Western force modernization and the development of new weapons, assisting resource reallocation within and from the military, and facilitating military restructuring for greater military efficiency.

Finally, I would like to bring out one or two possible implications for the West, but only to do so tentatively.

If NATO made no response to such a Soviet reorganization, the U.S.S.R. would be no less secure than it is today. The force reductions would still be essential to fund modernization of the military and new weapons development in the armed forces, even if they could not be used to fund the restructuring of the country.

But the number-crunching approach that we see so often in the West holds that in the face of such Warsaw Pact proposals to cut ready forces to half current limits, NATO's refusal to make similar cuts is untenable.

I accept that this may become a political reality, but it ignores what the Russians would consider the operational reality, that NATO significantly reduced in density will not be a creditable military force, unless it changes its current force posture.

If NATO adopts a Soviet model, reduces by 50 percent, adopts terrain fortification in depth manned by cadre forces with a rapid mobilization potential, holds large reserves in a mobile counterattack force, backed up in depth by modern nuclear weapons, and invests in technology to develop new weapons (as the Russians will be doing) then, from a Soviet point of view NATO, too, will be able effectively to defend western Europe at half its current strength. But I think Gorbachev will assess that such a reform will be very painful for NATO. It would require modification of forward defense, the acceptance of fortifications and deployment in depth in Germany, painful reallocation of resources between arms of service, the adoption of cadre mobilization for those NATO forces with regular armies.

It also means that the 50 percent reduction in deployed strength would not give a 50 percent reduction in western defense budgets.

Gorbachev may well assess that NATO is not capable of making this institutional adjustment. But without such an adjustment, merely reducing forces in Europe, but maintaining the current deployment in forward defense, will, from a Russian point of view, not be stabilizing for NATO, but destabilizing, and will contribute to a Soviet military advantage.

Chairman NUNN. Well, you all have given us a great deal to think about this morning. We appreciate all the testimony. We will have a number of members here, so we will adhere to the normal time rule of the committee, and the basis of recognition will be by the early bird rule.

Mr. Donnelly, let me ask you a few questions right off. What would be the effect of these rather significant reorganization changes in Soviet military posture? What would be the effect on eastern Europe most notably the front-line states where there would probably be less forces?

Mr. DONNELLY. First, generally speaking, eastern Europe spends very much less of its GNP on defense than does the Soviet Union. Soviet Union spends, by our estimates, about a fifth of its national income on defense. East Germany about 7 percent, and the rest between 3 and 5 percent.

All the Eastern European countries would like to reduce their defense expenditure for internal, economic reasons. And second, it is the duty of the Soviet General Staff to try and integrate Eastern European countries into a Soviet plan, and this is the advantage of standardization that they have over NATO.

So we would expect the Eastern European countries to follow suit and to be part and parcel of this deployment, and possibly to provide the bulk of those forces manning what may become, or may be called, defensive regions.

It will allow the Soviet Union to maintain sufficient forces in Eastern Europe for control of Eastern Europe.

Chairman NUNN. That is the point I am really asking about.

Mr. DONNELLY. It will. Because we are only talking about reducing Soviet forces in Eastern Europe to 50 percent of current levels.

Chairman NUNN. And that would be plenty of forces to maintain.

Mr. DONNELLY. Given the fact that everyone in Eastern Europe would know the Soviet Union had the ability to mobilize more forces within 3 to 4 weeks, in the event of any serious trouble.

Chairman NUNN. What does this force posture entail as far as a short warning type attack? By short warning I am not talking about necessarily 48 hours, but saying mobilization in a couple of weeks.

Mr. DONNELLY. Personnally, my view is that, in line with Mr. Meyer's, I have never thought that there would be a likelihood of a "bolt out of a blue" attack. The Soviet concept of a war in Europe is that there will be a crisis, and that surprise means achieving surprise during a reasonably extended crisis period, doing so by deception. Surprise is simply operational surprise to surprise the enemy as to the time and place of your main blow, surprising perhaps, only a small percentage of the NATO enemy, the weaker corps in NATO, rather than the stronger. Those who have been just a few days late in deploying.

Therefore, given that long period of crisis, the reductions that we see are very much less significant. What they mean is that they demonstrate that the Soviet Union does not think that war is imminent in Europe. If it did, it would not be reducing forces, it would be increasing them. And that, I think, is the real significance of that.

In terms of their capacity to fight the kind of war which they would expect to have to fight if it is forced upon them (because I do not believe that they would want the war in Europe), then the reductions that were promised in the December speech would make very little difference.

What they would give is unambiguous warning of a "bolt out of the blue" attack, but the Russians were never planning to do that in my view anyway.

## FEAR OF NUCLEAR ATTACK

Chairman **NUNN**. You have said two or three things of great interest here. You have said that Soviets do not fear conventional attack, they fear only a nuclear attack.

You have said that you do not believe the Soviets would be postured for a short-warning attack after these reductions, although you do not believe that a short-warning attack will occur anyway. You have also said that you believe the Soviets would be in a position to respond. The Soviets do not want war in Europe, unless it is forced on them.

If the Soviets are only worried about nuclear attack, and they are not going to respond unless it is a mobilization-type conformation, or when it is forced on them, what is your definition of "forced on them"? What is it the West would do? I cannot conjure any scenario where the Soviets could believe, if they fear only a nuclear attack, that the West would be forcing on them a war in Europe.

Mr. **DONNELLY**. I think the Russian view is that western Europe is the area of greatest importance and the most tense confrontation between the East and West—and for a long time has been the least likely area of conflict.

Chairman **NUNN**. Do you believe these overall restructurings make conflict in Europe more likely, or less likely?

Mr. **DONNELLY**. From the Soviet point of view, I think it is a recognition of the fact that conflict in Europle is less likely, and a recognition of the fact that their previous Soviet doctrine of believing that they could intimidate NATO by force is counterproductive, that forces of themselves do not make war more or less likely, given the presence of nuclear weapons.

I think, personally, that the propaganda line we have been hearing about the world rushing toward nuclear war, and nuclear war being more and more likely, which has been played by the Soviet Union for some time, is no more than a propaganda line. I do not personally think that Gorbachev believes that.

So the answer to your question——

Chairman **NUNN**. You believe that this in itself does not make war either more or less likely. You believe it is more of a recognition by the Soviets that their forward policy, more aggressive, short warning capabilities, are not productive, and that they will recognize that war is not very likely, and adjust to that for economic purposes? Is that generally what you are saying?

Mr. **DONNELLY**. It is. But like a good cautious state intent on defending its system, they have created a system whereby they can generate forces necessary for their defense, or if need be, necessary to use war as a tool of policy. If it becomes a useable tool in the future. I do not think they see a crisis that will precipitate war developing in less time than that.

## NATO OPTIONS

Chairman **NUNN**. What do you see as our Western options, NATO options, in responding to these shifts if, indeed, they are made? What are the options and, if you feel free to do this, what are your personal views about which options the NATO Alliance should be looking more favorably towards.

Mr. DONNELLY. Well, the options that I see, as I just laid out, are that we can either stay as we are, or we can follow suit with the Russians.

Chairman NUNN. There are no other options?

Mr. DONNELLY. Well, I will confess, I am not a specialist on NATO. I am only looking from the other side. I would ask you that question.

Chairman NUNN. Well, let me ask this question of the other members of the panel here this morning.

General Odom, could you comment on whether you agree or do not agree there is a possibility, likely, of those counter changes taking place. What do you believe the appropriate NATO response should be?

General ODOM. Let me say first that I think some of the changes that Mr. Donnelly has suggested are likely to occur, unless Gorbachev's policies are reversed fundamentally.

Chairman NUNN. Are likely to occur?

General ODOM. Are likely to occur.

Chairman NUNN. So you generally agree with his thoughts?

General ODOM. I think their general thrust is very compelling. I would differ on some details.

The NATO response, it seems to me, really falls into a basic range of options.

One, we stay with forward defense, and there is no necessary reason to abandon forward defense since it is a defensive doctrine.

If the Soviets go to a defensive doctrine, that should in principle make us both happier. I do not see that we have any obligation to change as a result of a sudden change of Soviet doctrinal rhetoric, perhaps followed by force structure changes.

We could, however, make a change. We could drop back from follow-on forces attack, give less emphasis to air-land battle, and try to build greater reserves and greater depth, using a traditional doctrine of mobile defense. And we could design counter offensives in a mobile defense doctrine at the tactical level, or at a higher level, at the operational level.

We could do that in counter offensives with our major reserves, to be committed at the CENTAG and NORTHAG level. Or we could do it on a grander scale, the operational level, at the AFCENT level. I do not think we could do it at the AFCENT level without more French cooperation.

Chairman NUNN. You think those are the options we ought to be considering? Do you have a preference as to direction on that?

General ODOM. I think the most important changes for improving our posture in the West are command and control, not trying to shift from forward defense to scenarios that I have just elaborated.

But if one must change—you asked me what options there are. I do not have much enthusiasm for making any major changes like that at the present.

Chairman NUNN. Senator Warner, my time has expired.

Senator WARNER. Thank you, Mr. Chairman.

I join in acknowledging the gratitude of this committee for these four outstanding individuals to come and provide us with their views, to set the stage for the work of the committee in the coming months on the Defense budget.

My first question goes to my friend, Mr. Horelick, with whom I have been privileged to serve on a number of panels through the years, and again, today you have captured in your rhetoric a thought that I have had all along about Gorbachev and glasnost, and so forth.

And I want to read it back to you, and then pose a question. You were pointing out those things that we have to look for before we should begin to make substantial change here in our country in this sentence.

> For democratic states where leaders are accountable to their electorates, and are constitutionally constrained, there are limits, and I repeat limits, to the acceptable extent of accommodation with the leaders of an enormously powerful state who can command the resources of their society for potentially hostile purposes, with no effective constitutional or systematic constraint. With leaders who can change policy course quickly. I repeat, change policy course quickly, and without warning. And who, under no domestic obligation, to debate alternative courses of action.

The risk I see is if Gorbachev continues to have these presumed successes, and we begin to reduce our defense budgets, and take other corrective measures in our country.

For example, in a few moments President Bush in the Rose Garden is going to introduce the teacher of the year, and his educational program.

And this morning he was throughly criticized by our educational leaders across the country, because the program had no new money. That money, presumably, is entrapped in the Defense budget, and the President wants to hold to his figure, but there is a tremendous set of forces coming to play on our defense budget, and I think this year we will succeed in holding the line, but I am not so optimistic next year.

My question, given that you have laid out here, which is an assessment that I agree with totally. They can slam their system in reverse very, very quickly. Three or four years from now if Gorbachev makes the very successes that he has set out, or if he is dropped from the scene, that system can slam into reverse and begin to go back and perform business as usual.

Our system will be burdened down by the constitutional restraint and domestic politics. The ability to put back together again what remains of NATO, 4 or 5 years from now, and U.S. defense problems is questionable.

Would you comment on this ability of theirs to go more quickly into reverse in say, 3 or 4 years?

Mr. HORELICK. Well Senator, I think that is an important asymmetry, a continuing asymmetry between our systems. But I do not think we should ignore the beginnings of possible changes. I still believe that, especially in the military areas, as previous speakers indicated, much of what we have seen so far, is readily reversible. Much more so than many of the domestic changes we have already seen.

To my knowledge, we have not yet seen, on the spending side, important reductions in military expenditures and shifts of resources to the civilian area.

But if present trends continue over the next few years—if important Soviet resource shifts begin to occur; if domestic programs become more dependent than they are now on resources liberated from the military sector; if *glasnost* and political reforms continue as they have and begin to reduce the deference paid in the Soviet Union to the military establishment, the old military priority could be seriously endangered. I might point out that one of the interesting results of the unexpectedly active elections to the Congress of People's Deputies was the rejection of some five or six senior Soviet military officers who stood for office in campaigns that no one expected would brook any opposition at all. They went down.

The senior military commanders were defeated, in some instances by civilians, and in some instances by military reformers, calling for the end of conscription and all of that.

If, over time, these kinds of trends were to continue, say for the next 4 or 5 years, then the ability of the Soviet leadership to change course very quickly would be constrained.

Right now I do not believe that is the case, and this is another reason why it seems to me that what we have seen so far, at least in military terms, does not justify or warrant a substantial U.S. response in the way of force reductions.

It seems to me though that the issue confronting the Congress with respect to U.S. defense expenditures and U.S. military strategy has to do not only with what is appropriate for dealing with the Soviet Union. Our response options are in fact constrained, at least as significantly, by what we need to do to maintain our economic health, and what we need to do in order to manage our alliance intelligently and wisely.

Senator **WARNER**. Thank you.

### GORBACHEV'S VISIT TO GREAT BRITAIN

Mr. Donnelly, so much of this policy is dependent on symbolism, and we are about to witness a very interesting chapter, namely Mr. Gorbachev traveling to visit with your Prime Minister. And early this morning your foreign minister was on one of our major television shows. I do not know whether you saw it or not, expressing great, warm welcome, and stating that this is a very close friendship. A strong, working relationship between Gorbachev and Mrs. Thatcher.

And how do you look toward this visit, and what do you think might flow from it? He even suggested, that is, the questioner, that Gorbachev would invite the Queen to visit the Soviet Union, which indeed, would have some symbolism and get the attention of a number of people as we move in this direction of perestroika and glasnost.

Mr. **DONNELLY**. I think there is a tendency in the United States, from what I perceive by talking to people, that people feel that the main thrust of Gorbachev's policy is aimed at the United States, whereas, I hope it is not being Eurocentric to say that I actually think that his main thrust of policy is aimed at influencing Europe, by attempting to change the perceptions within Europe of the Soviet Union as a threat. He has, by his own lights, been very successful at this in West Germany, and has had very little comparative success in the U.K.

My assessment is that his current visit to the U.K. is an attempt to try and improve his image in the U.K., because the U.K. is one of Europe's two nuclear powers, and has one of Europe's stronger armies.

I think, from his perspective, he is simply trying to take on the problem where it is toughest.

Senator WARNER. Thank you.

Chairman, my time is nearing an end. I had hoped to ask another question. Maybe the panel will address it later, and that is, the relationship between the military and Gorbachev, and their willingness to accept perestroika and glasnost. I hope that is touched on.

Senator LEVIN. Thank you, Senator Warner.

## GORBACHEV'S PROGRAM OF ECONOMIC AND POLITICAL REFORM

My first question is for Mr. Horelick, similar to the one which was previously asked of you, and you answered in part. And that has to do with what Senator Warner was getting to, was to the—what is really a revolution in a sense, in the Soviet Union of rising expectations, both politically and economically as a result of the Gorbachev program of economic and political reform.

There is something happening in the Soviet Union, I gather, from your answer to Senator Warner's questions, that you believe that in 4 or 5 years, I think your answer was, there may be sufficient changes in the Soviet Union. That it will be difficult for the leadership to reverse course quickly.

Is that a fair summation?

Mr. HORELICK. Yes. It will become more difficult for them to do so.

Senator LEVIN. Would you say then that it is in our interest that this process continue in the Soviet Union, and that it succeed?

Mr. HORELICK. There is bound to be uncertainty about the ultimate intentions of Gorbachev toward us and toward the West. Given that, in my judgment, the balance of potential benefits and risks is such that we do have a net interest in the continuation and the ultimate success of the Soviet reforms along present vectors, along lines on which they are currently heading.

But that is only one possible outcome. I think the future is very uncertain.

As I indicated, Gorbachev himself, even if he survives, may retreat. He may not survive. He may be replaced.

If social discohesion in the Soviet Union increases, there may be a conservative reaction, a kind of neo-Stalinist reaction to what has gone on, and the Soviet Union could turn out to be a more difficult, rather than a more cooperative partner.

In the short-to-mid-term, however, even if Gorbachev goes under, it seems to me that the ability of a successor Soviet leadership rapidly to turn Soviet foreign and defense policy around, is going to be constrained substantially by resource stringencies.

Anyone who picks up the pieces after Gorbachev is still going to be faced with the same resource strains and the same social problems that Gorbachev faces. They might respond in a different manner to them, but their external policies will still be constrained.

Senator LEVIN. Given all of your qualifications, is it your conclusion that it is in our interest that those policies, those economic and political reform policies succeed?

Mr. HORELICK. Yes. On balance, I believe that is correct.

### GLASNOST AND PERESTROIKA

Senator LEVIN. Now, General Odom, you have given us some testimony today, which is very interesting. You indicated in your oral testimony that it is a bit too early to relax the competition.

Can you just give us briefly—have you shifted your own thinking, somewhat, in the last few years? Have you been surprised by the events in the Soviet Union, personally?

General ODOM. I have been surprised by the risks he has taken in unleashing national minority movements and alternative political forces within the Soviet Union. I have not been surprised by the leadership shakeups, or purges, which are the essence of glasnost and perestroika.

### EARTHQUAKE DISASTER

Senator LEVIN. Dr. Meyer, you mentioned the earthquake and I have always been intrigued by one aspect of that earthquake and have not had a chance to either ask experts or do some reading on it.

I would like to ask you the question, does the inability of the Soviet military to respond in an organized way to that earthquake, stop people 2 nights after that earthquake from freezing to death, does that reflect anything about organizational capability of the Soviet military? Would that have happened here under the same circumstances, or in Germany under the same circumstances?

Dr. MEYER. The short answer is, it is not a surprise that that is what happened. I follow the Soviet military literature fairly closely and they talk about exercise of the civil defense units and support units and this sort of thing is not a surprise at all.

They do not really train for that kind of disaster. They do not really prepare for that. They train for rather bizarre scenarios. Cleaning up a metal production facility in the aftermath of a nuclear strike and they simulate destruction around it, but somehow all their equipment gets through. The roads are never blocked. No one is sick. No one is hurt.

So when they came up against a true physical natural disaster where nonindigenous civil defense troops had to come in and help—people who should have been organizing civil defense operations and rescue operations in the region were killed in the earthquakes themselves. They had to bring people in from outside who had never worked in that region before. The whole thing fell apart.

### LANCE MISSILE

Senator LEVIN. You have indicated in other testimony this morning that while you think it is probably a mistake to try to help Gorbachev we should not hurt Gorbachev. That seems to be the thrust of your testimony. Would you apply that approach to the Lance missile modernization issue?

You touched on it by saying that we should not do something which would prove that he was wrong in signing the INF Treaty. You are now on the verge of some decisions on budget money for Lance modernization. Does that process, budgeting money for that missile, undermine Gorbachev at home?

Dr. MEYER. I do not think a program of that size would necessarily matter one way or the other. It is an indicator of where—the Soviets are pushing very fast for the denuclearization of Europe and for them that is an indicator, but that is not a big issue. The big issue would be if we came up with a whole new series of systems that we were going to augment. So they are going to make a lot of propaganda out of it but that is about all.

Senator LEVIN. Thank you. I think Senator McCain is next.

### MOBILE COUNTERATTACK FORCES

Senator MCCAIN. Thank you, Mr. Chairman. I thank the witnesses for being here today. Mr. Donnelly, you four or five times mentioned mobile counterattack forces. How are we supposed to differentiate between mobile counterattack forces and mobile attack forces?

Mr. DONNELLY. You are not, sir. There is none.

Senator MCCAIN. Perhaps I have trouble understanding. Repeat that one more time.

Mr. DONNELLY. You asked, how are you supposed to differentiate. You are not supposed to differentiate because there is no significant difference.

Senator MCCAIN. So then we would base a lot of these changes that the Soviets may make in their overall force structures on intention rather than the makeup of the forces?

Mr. DONNELLY. That is so, yes sir.

### UNITED STATES TRADE AND ECONOMIC POLICY TOWARD U.S.S.R.

Senator MCCAIN. Thank you. I am concerned, as all of us are, not only about the pure military aspects of our relations or our responses to the Soviet Union but our trade and economic policies as regards the Soviet Union.

Some would make the case that by providing extensive loans, credits—whether it be in private corporations and companies, giving favorable consideration of the Soviet Union, or whether it be on a government to government basis, including admission to GATT, a wide variety of options that are being considered—some would say that those kinds of assistance to the Soviet Union delay the eventuality of some more difficult choices being made by the Soviet Union as regards expenditures on military equipment, both conventional and strategic.

Perhaps starting with Mr. Horelick I would appreciate the views of the panel as to what the U.S. overall trade and economic policy should be toward the Soviet Union and directly addressing the criticism that has been leveled by many that we are doing too much for the Soviet Union, not only in the United States but particularly our western allies and the Federal Republic of Germany. Mr. Horelick?

Mr. **Horelick**. Well, I think we found at a time when our relationship with the Soviet Union was distinctly more tense than it is now, that a policy of economic denial, which in present circumstances would be a policy designed to obstruct perestroika, was politically infeasible.

If it was infeasible in the early 1980s during the first term of the Reagan administration, in large part because our allies would not buy it, it is even less feasible now when the general relationship between the United States and the Soviet Union is much improved and I do not think either the alliance or our publics would support it.

But there is a difference, of course, between economic denial, which I think is not warranted or sustainable, and a concessionary policy toward the Soviet Union in our economic relations. I think that is also not justified, but I do think we are now in a period in which we should begin thinking about phasing the lifting of political restrictions on our economic relationships with the Soviet Union, with our judgments about the progress of internal change in the Soviet Union and progress in our foreign relations with the Soviet Union.

I think we have now reached the point, and the Soviet Union has reached the point, where we ought to begin giving serious consideration to gradually beginning to lift some of the restrictions from the period of the end of the 1970s, which were imposed in special circumstances.

The "no exceptions rule" on technology transfer probably ought to be given a fresh look. That would be a change that would not, in my judgment, significantly limit our ability to veto transfers that we regarded as being sensitive, but it would be a symbolic gesture which both our allies and the Soviets are looking for.

We at least ought to begin thinking whether those restrictions that were imposed in the 1970s in a very different human rights environment in the Soviet Union, designed especially to promote freer emigration, ought not to be reconsidered in the light of positive movements in human rights matters on the Soviet side.

I have in mind here consideration of the Stevenson amendment and the possibility of waivers on Jackson-Vanik for a limited period of time to give the Soviets an additional opportunity to continue and indeed, hopefully, to improve on their performance, which of course is significantly different from what it was just a few years ago.

Senator **McCain**. General Odom.

### DENIAL POLICY

General **Odom**. I would like to make a comment with regard to Mr. Horelick's comments. It is true that the denial policy, or the attempt to embargo technology and credits to the Soviet Union was not uniformly successful.

I think it is a bit of an exaggeration to say, however, that the late 1970s or early 1980s did not mark a period of considerable decline in East-West economic interaction, the kind the Soviets wanted and tried to sustain. It may have been an untidy policy, but I think it has been a very effective policy, and I think the Soviet Union has perceived it as a very effective one.

I think they also experienced inefficiencies during the mid-1970s, when there was much more technology transfer, in putting that technology to use. Under the embargo efforts, however imperfect they were, the efficiency of transferring the technology declined even further.

East-West joint trade ventures have the promise of a higher efficiency tech transfer, and I think the policy we take toward those ventures does—will—play a role in how efficient that transfer is.

Now, let me make a point about whether we are doing too much or too little. In principle, I do not see any reason to pay the Soviets to reform themselves politically from within. It is in their interest to reform. The liberties are for the Soviet peoples, and I think the Soviet peoples ought to demand those liberties, and I do not like the precedent of paying a dictator to be a little more benevolent.

In our trade relations with the Soviet Union, we should in the first instance look at the sensitive technology areas, and we should maintain embargoes. Beyond that, I think it ought to be on a purely economic market basis.

I have said before that I believe it might make sense to loan money to the Soviet Union after they have demonstrated that they have moved primarily to a market economy where they have scarcity price information which would allow one to decide among lesser and more efficient investment options.

Today, they cannot tell us which investment options are more or less efficient: Therefore, I do not understand why any businessman would want to invest in the U.S.S.R. He would not want to do that in a Third World country on such information. Why should he want to do it in the Soviet Union?

If the Soviet Union wants to come into the Western international security and economic system, I think it has to come in on those terms. Coming in will require transformations in the Soviet Union that will be extremely painful. In fact they may be so dangerous that they could cause political upheaval beyond the leadership's ability to control.

That is not our fault. That is the Soviet Union's problem and I do not think we alleviate that problem by providing concessionary credits, or credits that are not based upon a very solid economic analysis in advance. I do not think we will make the situation better at all by such pre-emptive economic assistance.

I think such assistance would reduce the prospects of the kinds of liberalizing reforms that some of the factions of the Soviet Union want and I think if we hold off and insist on a shift to market pricing as the basis for making more analytically sound choices among investment decisions, the prospects for reform are greater. But even in that event, they are filled with hazards.

Senator McCain. Dr. Meyer.

## HIGH TECHNOLOGY TRANSFER

Dr. **Meyer**. Just a footnote on the issue of high technology transfer. I agree basically with what has been said—I think there is no need to reward Mr. Gorbachev for doing things that he really has to do to make his country work.

In that context, if we feel that conditions have changed, political conditions have changed sufficiently that there are smart economic deals we wish to make for our own sake that we would not have made before just out of principle, such as the presence of Soviet forces in Afghanistan, well we can review those things.

But on the other hand, I see no reason to think about concessionary trade or high technology trade with the Soviet Union, who after all is, no matter how much reform is going on, will be our primary rival in the world—if not just military, then certainly a diplomatic rival. At a time when we are worrying about transferring technology to the Japanese, who after all are our allies, this would be inexplicable.

Senator **McCain**. Mr. Donnelly.

Mr. **Donnelly**. We are getting rather out of my area of expertise on this, but I will say that again, from the Soviet point of view I think that the aid we can actually give to the Soviet Union and/or our ability to hinder Gorbachev in what he is doing is exceedingly limited; that whatever we do we are not going to help or hinder him much.

That again, one of his problems is that the reforms of the economy which he has undertaken are not sufficient to achieve the changes necessary. Whatever happens, he cannot use Western aid properly. You cannot have a Marshall plan for the Soviet system because it would be like trying to pour water onto a dried up cellulose sponge. It would just run off. But this is Gorbachev's problem. There is nothing we can do to help him solve it.

Senator **McCain**. Thank you, Mr. Chairman.

Chairman **Nunn**. Senator Glenn.

## UNITED STATES ASSESSMENT/EUROPEAN ASSESSMENT

Senator **Glenn**. Thank you, Mr. Chairman, there are two ways of looking at this. One is a U.S. assessment, another is a European assessment of this whole thing and we have great hope, obviously, that Gorbachev is right—he is here to stay and that he is going to continue doing what he has been doing.

Meanwhile, we are faced with the attitude here, I think—or my attitude any way—meanwhile let us keep our powder dry and see what develops out of this thing. We do not want to weaken ourselves. We hope Gorbachev survives, but the fact is there has been no actual reduction yet in arms production in the Soviet Union and there has been very little realignment of anything to carry out what have been, so far, just words.

On the one hand we have George Kennan, very respected of course around the world, saying such things as whatever reasons there may have once been for regarding the Soviet Union primarily as a possible, if not probable, military opponent the time for that sort of thing is clearly past. That country should now be regarded essentially as another great power, like other great powers, said

Kennan, and major international differences with the United States adjusted by the normal means of compromise and accommodation.

Well, I think that overstates my optimism and I hope that I can come to that kind of optimism some day if Gorbachev continues and his policy continues. I think it is time to push very hard on arms control and reduction and test that kind of sincerity on the other side, myself, both in reestablishing asymmetry in conventional as well as trying to get reductions in both nuclear and conventional arms. At least we should test this by disengaging somewhat so that we are not lined up along a fence over there within rifle shot of each other in Europe. That would certainly be a very good first step.

Now, a different area. The European assessment of this. Senator McCain led a delegation I was part of that went to the Wehrkunde Conference this year in Munich. I am sure you are familiar with that. Most of the NATO foreign ministers were there, and defense ministers.

I came away from that conference really questioning NATO's stability, because the public opinion polls in Europe—particularly in West Germany, but also in the U.K. and some of the other places—have gone to the point now where they want—the polls show that they want—lower defense expenditures.

They feel less requirement for a strong NATO. They want a reduction of foreign forces on their soil. They want nuclear weapons cut; and when you get public opinion going 70 and 75 and 80 percent along those lines, political will is going to have to follow before very long. I guess I would ask if you share my views, or give your comments on whether you see the Alliance as being potentially very weakened in a major way over some years.

If it is too extreme, it seems to me that we might even, by that very fact, encourage Gorbachev not to be as forthcoming and as cooperative as he might otherwise be. I think the Alliance's desire to believe Gorbachev as being for real is outstripping reality and that can put us in a rather dramatically weakened condition as I see it.

I expressed these views at that Wehrkunde Conference and I was rather roundly criticized by the West Germans in particular, because I had concentrated on their public opinion polls. We had quite a little go-around about this as a matter of fact and so, do you see that as a potential? That we are really in the process of beginning to weaken NATO because of the public opinion in Europe.

Mr. Donnelly, would you lead off on that, because you are over there where your neighbors are some of the ones that I speak of—well, U.K. itself and particularly the West Germans are some of the ones I am talking about.

Mr. Donnelly. Yes, sir. I think this is in fact the entire thrust of Gorbachev's policy, to try and undermine the strength of Western governments first by addressing the population over the heads of their governments and trying to reduce their perception of the threat from the Soviet Union so they will not vote for modernization of their armed forces.

Second, I think this is concerted with an effort to try and influence Western policymakers—and I mean people such as yourselves—to try and change in their minds the perception of the

Soviet Union as a threat. Third, and perhaps the most recent approach, to try and influence the opinions of those people on whom the policymakers most rely for advice, including military specialists, including trade and economic specialists.

Senator **GLENN**. How do we keep a strong NATO with public opinion going 75 and 80 percent the other direction?

Mr. **DONNELLY**. I think we have to meet like with like, and I think we then have to put our opinion and our ideas across. Again, here is where I would defer to you to provide an answer. But what you have described, I am certain, is Gorbachev's specific policy.

Senator **GLENN**. Anyone else want to comment?

### NATO SUPPORT

Mr. **HORELICK**. Yes. I think one should not confuse the upsurge of favorable public opinion for Gorbachev in Europe with an anti-NATO position in Europe. In almost all polls, including polls in West Germany, support for the Alliance continues to be high. Support for strong security ties with the United States continues to be high and what has changed is perceptions of the Soviet Union and Gorbachev's popularity.

Senator **GLENN**. I did not bring my polling data along with me this morning but I had it when I went over there. I would disagree with you in your statement. I do not think the polling shows that there is strong support for NATO. It shows a very much weakening support for NATO among the general population, certainly in Germany.

They do not want to go ahead with Lance. They are concerned about low flight training over there. They are concerned about all the maneuvers going on. They want a lessened NATO presence visiable over there now. So it is not a support for NATO that remains strong. Quite the opposite.

Mr. **HORELICK**. I was speaking about support for the continuation of the Alliance, not necessarily for particular defense measures that have been proposed. But let me respond generally to your point.

In my opening statement I indicated that the kinds of concerns and anxieties that you have expressed are precisely the ones that are driving those people who argue for a very cautious and careful approach in responding to Gorbachev.

There is a concern that a lowering of the guard in the West might outpace the real process of reductions in the Soviet Union. That point, of course, is very well taken and it presents our policymakers with some difficult dilemmas in deciding how to deal with the Soviet Union as an Alliance management issue.

On the issues immediately on our plate now, for example, Lance modernization, modernization of conventional forces, issues that you will be debating, are probably in the first instance Alliance management issues rather than issues that are driven by our analysis of what is appropriate for responding to the Soviet Union.

It seems to me that we have got to pick our issues very carefully. We have to distinguish between those issues on which it pays to press our allies and those issues on which we should be careful not to fall on our swords. Lance modernization is a very good case in point.

Whatever marginal contribution a decision now to modernize Lance might make with respect to the question of coupling and maintaining the viability of extended deterrence—and as Steve Meyer indicated, Lance is not the only thing available for maintaining that coupling—if you compare the marginal advantages that would come from an early decision to go ahead with modernization with the enormous costs and risks of fighting that issue in the Alliance, the catastrophic consequences if we were to make a major issue of it and lose, then it seems to me that one candidate for a cautious punt would be Lance modernization.

Regarding further nuclear disarmament, on the other hand, it seems to me that a strong position which says "No" to further nuclear reductions pending more satisfaction on the conventional side, is a stand that is worth taking. So picking and choosing where to make stands and where to fight these issues out in the Alliance is going to be a crucial one for the United States in the coming months.

Senator GLENN. My time has expired, but let me make one comment. I think Lance is just the beginning of a whole series of things like Lance for which there will be lessening support within the NATO structure and I think this is symptomatic. How we handle it may indicate how we are going on a lot of other things.

The threat is seen as being less and so the Germans are being very—they still want the forward defense but that is threatening to the Soviets on the other side. We could well pull back from some of the border confrontation, at least a few miles, but they will not go along with that. There are a number of things like this. I think Lance is just symptomatic. I think NATO is in for a long and rough period here.

Thank you, Mr. Chairman.

Chairman NUNN. Thank you, Senator Glenn. Senator Wallop.

Senator WALLOP. Thank you, Mr. Chairman, and I want to thank you for having this hearing. It has been most interesting and I would say to you, John, I quite agree with you and perhaps the first burden to share is a little political honesty. It is very difficult in our democracy to argue the case of a new and trustworthy leadership and lessening threat and a great contribution to meet the threat that has now been lessened.

I was rather soundly criticized at Wehrkunde for trying to inject a little political honesty.

I would say that one of the things that I did not hear the panel touch on, at least in the kind of direction that I think would call for some response, is what do we do for a solipsistic period where everybody is trying to tell themselves that what they hear is what they see and what they hear and see is what the threat actually has become and not what they know it to be when the Soviet Union and its alliances are in a period of great instability.

### UNREST AMONGST EAST BLOC ALLIES

We are now looking at a circumstance where the Soviet's military capability is not only unreduced, but expanding. There is a lot of unrest and stress within the Soviet Union, particularly amongst its East bloc allies. That, it seems to me, causes a tremendous threat to us—a country with an unbelievable supply of guns and an unbelievable shortage of butter.

What do we do? Is there any effort being made with or amongst our allies to respond, for example, to a Balkan uprising or a Ukrainian uprising or a Polish uprising? What kind of a military threat does that pose to us? Traditionally, a dictatorship's means of coping with domestic unrest has been a severe outward expansion of imperialism. Mr. Horelick, starting with you and then General Odom and so on.

Mr. HORELICK. Well, the possibility of a violent eruption in Eastern Europe is of course one of the nightmares that the East and the West share. It is a nightmare that for different reasons the Soviets as well as the Europeans share. Violence in Eastern Europe that triggered a Soviet military intervention would not only victimize the peoples of Eastern Europe; it would almost certainly bring Soviet reform and reform in Eastern Europe crashing down.

If history serves as precedent, it is not likely to create a serious danger of war in the heart of Europe, but it would certainly alter threat perceptions and create tensions between ourselves and our allies about what the proper response should be.

I think in some respects the issues now are more acute than before. Though the Soviet Union continues to be the ultimate enforcer in Eastern Europe, it is simultaneously now also the major impetus for promoting change and that is a contradiction. That is a paradox that I think on balance probably increases the risk of instability.

In addition, Gorbachev keeps making the kinds of noises meant to suggest that the Soviet Union would not, as in 1968, again intervene militarily in order to head off a system change inside of Eastern Europe. That could encourage governments and opposition groups inside Eastern European countries to make moves precisely in the direction that could trigger instability and intervention.

So I think the order of the day in Eastern Europe is to take advantage of this raised Soviet threshold of tolerance for more autonomy and more independence, and to navigate a course gradually and nonprovocatively.

I think an even more severe danger to East-West relations is the danger that Bill Odom mentioned earlier, of some violent outbreaks inside the Soviet Union itself. For example, imagine a scenario in which the Lithuanian Popular Front movement takes to the streets——

Senator WALLOP. Or Islamic, which is perhaps the most likely of all.

Mr. HORELICK. Well, I think as of now, the problem is in fact most acute in the West. But imagine a situation in which there is a powerful sovereignty movement in Lithuania resulting in a violent outbreak and the Soviet Army moves in to suppress that outbreak. What would be the position of the United States under those circumstances?

It is hard for me to imagine that we would at that point abandon our traditional position in favor of self-determination for the peoples of the Soviet Union, especially the Baltic peoples, whose incorporation into the Soviet Union we do not recognize to begin with. It is hard not to imagine that that would result in a real crisis in U.S.-Soviet relations.

## CONVENTIONAL FORCE BALANCE

General **Odom**. I would agree with most of what has been said here, and I would add that if one thinks about the alternative threat scenarios that NATO can face, one must include the threat before perestroika, before reasonable sufficiency, and that was a large, high speed offensive into western Europe.

Next we can include the unilateral reduction of Soviet forces in East Germany but no NATO reductions, an alternative that lengthens the warning time for NATO. Of course, we must consider a negotiated reduction on both sides. That would reduce the warning time considerably both ways creating ambiguities, uncertainties, and potential instability. But there is another range of threat. Finally, there is another threat alternative that we do not think much about, and that is a scenario for disorder, chaos, and civil war in East Europe and the U.S.S.R. A key question for this committee, for the Defense Department, and for NATO military circles is what kind of force structure is appropriate for dealing with this last alternative, with disorder in the Warsaw Pact.

I would argue that a reduction in conventional forces is the last thing we would want in those circumstances. We would want to keep a high level of certainty about the conventional balance in central Europe so there is no risk of spillover; no risk of miscalculation in military operations either by East European armies or the Soviet military.

Dr. **Meyer**. Just two points. After the Soviet invasion of Hungary in 1956 people said, you know, they are never going to do this again. This was a big mistake. Then 1968 occurred and following the 1968 invasion of Czechoslovakia people said well, this is the last time they will ever do this. This is really a disaster. Then there was the invasion of Afghanistan and the mobilization for an invasion of Poland in 1980, which did not happen.

So I think it is really hard to answer. I am sure if Gorbachev was here and he was in a lie detector and you asked him your question he would say no, we will never use troops again. But in 1995, faced with a situation that one cannot imagine right now he might change his mind. I am sure Brezhnev had never really thought much about it until 1968 either.

So you really cannot know and when push comes to shove you just cannot be sure that in fact in the end Soviet forces will not be used to restrain Eastern Europe.

Senator **Wallop**. Actually, on a historical basis you might want to rephrase that and say you can be sure that they will.

Dr. **Meyer**. You can be sure it has always been the tool of last resort. Studies of these interventions have shown that first they have used political tools then they have used KGB tools, which did work in Poland, and in the end if things could not be halted the troops were used.

Just to reinforce something that Chris Donnelly said, in every single case the Soviet Union never used forces in being to suppress the revolt. They brought in hundreds of thousands of troops beyond that to support those revolts and so the eastern Europeans really would be insensitive to the level of standing forces there because they know that ultimately mobilization is required.

In fact, your question answers Senator Nunn's question earlier. The Soviet likely scenario for war in Europe is where we send in forces to support Eastern Europe in a revolt against the Soviet Union and then American and Soviet forces collide.

At least we are told by defectors from the Soviet Army in the late 1960s that Soviet troops going into Czechoslovakia were briefed on the potential of meeting Western NATO forces coming in and they were given orders that if they should engage with American forces or Western European forces they should hold the defensive line and not move forward to attack until higher orders. So at least in this case they contemplated potential American-Soviet intervention—combined intervention.

Senator WALLOP. Mr. Chairman, my time has expired. I might just make a comment to Mr. Donnelly. I do not think your remarks are Eurocentrist at all. I think that precisely what Gorbachev is doing is trying to decouple Europe and the United States.

Chairman NUNN. Senator Wallop, do you have any other questions you would like to ask now, because I will ask a few wrap-ups but you go ahead if you would like to.

Senator WALLOP. I have a couple, Mr. Chairman.

Chairman NUNN. Why do you not go ahead and finish.

### PVO STRANY

Senator WALLOP. Dr. Meyer, I just have an observation. I guess I may be giving too much credit to the Soviet Union and their SDI equivalent, but when I see a PVO Strany which is organized to do just that, 9 Petroa class radars that far exceed anything that we have, the recent deployments of the SH04 and SH08 interceptors and warm production lines, production and testing of mobile engagement radars, ultra hard leadership shelters, and an air defense capability which is rapidly gaining a missile defense capability, I am less concerned about a hard deployment time such as you suggest we may have. First of all I guess I would have to say unless that happened on the Easter recess I am not certain what hard deployment time has been established for the United States' SDI. But we would not know if they had a specific architecture timetable, would we? All we can see is what they have done, which is greater than what we have done.

Dr. MEYER. Well, Senator I would be happy to discuss with you at another time the details of those issues. All the facts that you lay out are in fact correct, but what I am saying is that one can paint many different pictures with those and yes indeed we can know more than just the hard details of how many gizmos are in a certain place and how those things are connected and organized.

That is really what is important. Not the individual elements that are out there, counting them up and things we see in different places, but how they are connected. How they are organized. How that force is structured, without ever having to argue about their ultimate kill probabilities.

I think those things are important. They say a lot about the Soviet military establishment over the last 20 years, but what they do not say is that these guys are either ready to deploy a large scale ABM system or that they could do it in a matter of even a few years. I think the details are really what are important there.

Senator **Wallop**. One of the things that a novice thinks important is what the capability to do something is and the purpose to which it may be put. It is always going to be a matter of some speculation from our perspective.

Dr. **Meyer**. Absolutely. The data for that, however, could not be discussed in an open forum.

Senator **Wallop**. I understand. Mr. Horelick, I have a curious ambivalence about your statement and some previous writings. It has to do with a sort of moral relativity concept.

In an article you wrote last October in the Bulletin of Atomic Scientists, you made a statement that both countries, for their own quite different reasons, seem to be turning inward, no longer in their imperial phases of activity—probably the most congenial environment for sustaining relaxation of attention in U.S.-Soviet relations. Certainly a healthier environment than when the Soviet Union is pursuing a more aggressive foreign policy and the United States is not and vice versa. I also think it much safer than it would be if both states were simultaneously in assertive phases of their global policy.

First, I am not particularly aware, since the close of World War II, of when the United States was in an imperialistic mode in response to what the Soviet Union was doing. But second, I got two different messages from your response to Senator Warner and from your statement here.

Is the proper posture for the United States, when the Soviet Union is in an expansionist, imperialistic role—and I think they still are, the pronouncements coming out of Cuba give no indication that there is any lessening of that—is the proper Western posture one of tolerance and acceptance, or one of resistance and, if necessary, confrontation? I am sorry, I just got two different pictures of what you said to Senator Warner.

Mr. **Horelick**. I cannot imagine how, out of the piece that I wrote in the Bulletin of Atomic Scientists, you could have reached the conclusion that I was assigning an equal sign of moral equivalence between the United States and the Soviet Union, or that I was suggesting for one moment that when the Soviet Union is in an expansive or assertive state of foreign policy that the proper response of the United States or the West is to tolerate it.

On the contrary, I think that the proper response was and has been a policy of containment and what I said in the article in the Bulletin of Atomic Scientists was that it was the success of our longstanding policy of containment that accounts for evidence that in some important respects the Soviet Union is beginning to recalculate the costs and benefits of some old policies.

Frankly, I believe that even if Soviet longstanding objectives toward us and toward our European allies continue as they were before—to weaken extended deterrence, to cause a weakening of U.S. security ties with Europe, to split the United States and the allies—even if those objectives continue as they were in the past, it makes an enormous difference to us what strategy the Soviets pursue to achieve those objectives.

I would rather see us competing with the Soviet Union on the political plane in a political struggle over the future of the Alliance system than to be dealing with a Soviet Union that believed its interests were best served by trying to overwhelm extended deterrence, by trying to overwhelm the Alliance with the continued massing of theater nuclear weapons as was the policy during the late 1970s and early 1980s.

I believe that the shift in strategy by the Soviet Union confronts us with political complexities and political difficulties, but I would rather be contending with them in that kind of contest than in the contest that was characteristic of the 1970s and early 1980s.

Senator **Wallop**. Mr. Chairman, just one last thing. Clearly, as history shows us, one cannot wage a political contest from the standpoint of marked military inferiority.

Mr. **Horelick**. Of course and I do not think anything I have said ought to be construed as indicating that I think the policy of preemptive disarmament is the appropriate Western response to the Soviet Union.

Senator **Wallop**. Mr. Chairman, just one last question and this is to Mr. Donnelly. I would like to ask you to explain how, as a territorial or geographical asymmetrists, you would assess the relative advantages of a Soviet restructuring to mobile defense, mirrored by NATO.

I would have thought that fundamentally restricting capabilities to NATO would make our geographical area of maneuvers more restrictive than theirs are for a mobile defensive reaction force coupled with a strong reserve.

Mr. **Donnelly**. Yes, sir. I think that is right. I think that is indeed the Soviet perception that the way they are going is based upon a study of their own particular geographical and economic circumstances.

I think what they would like to see in the Western response to that move would be for us to abandon plans for modernization both of nuclear and of nonnuclear new technology forces, a gradual denuclearization, a decoupling from the United States.

I think they would like to see unilateral reciprocal force reductions by NATO countries, not coordinated, to weaken current forces, and no development or deployment of a command and control system for operational level of war. If this is indeed the case, then I think they would love to see us maintain forward defense because in that respect, if we react in the way I have just described it makes our current force posture untenable—the force posture which we have gone to simply because we lack the territorial depth which you have described.

Senator **Wallop**. Thank you, Mr. Chairman. That is interesting.

### ACCIDENTIAL OR INADVERTENT NUCLEAR WAR

Chairman **Nunn**. Thank you Senator Wallop. I have a couple more questions. Dr. Meyer, you have written about the emphasis the Soviets are placing on the problems of accidental war, which is a little bit of a twist in emphasis for them. In your discussions with the Soviets have they left you with the impression that they believe the nuclear risk reduction centers, which were started last year, can have an enhanced role? If so, what additional role do you see in this area that we could expect them to be receptive to?

Dr. **Meyer**. Well, Senator I have not explicitly discussed this issue with them. The comments that I have heard in the interviews that I have conducted, in the spirit of glasnost everybody was very supportive of those centers and their contribution.

I believe that the emphasis on accidental and inadvertent nuclear war in Soviet doctrine as articulated by Gorbachev and the civilians is in part a political tool, that he is using that to make the argument that the fundamental threat to the Soviet Union is the existence of nuclear weapons in large quantities. The extent to which he can reduce them lowers the threat to his country and therefore if the U.S.S.R. can have trade-offs, even asymmetric trade-offs, in arms control that results in a net reduction in Western nuclear forces, then it is worth doing and so it is a political tool.

But in that framework the centers have proven useful and discussions I have had with INF inspectors at least suggest to me that use of those centers from the Soviet side as part of the INF verification process has been very important and essential, as a matter of fact, to implementing that treaty. But in terms of the more general question about reducing the overall risks, I have not been involved in those discussions.

Chairman **Nunn**. Mr. Donnelly, do you have any observations about Soviet reception of reducing risks of accidental war, spread of nuclear weapons, terrorist groups, proliferation issues, those kinds of matters?

Mr. **Donnelly**. Well, first, I am entirely in accord with what Mr. Meyer has just said on that tissue. I think that there is both genuine concern for the possibility of accidental nuclear war and the using of this concern for political propaganda. I think that in terms of nuclear proliferation that Gorbachev's proposal—to rid the world of nuclear weapons by the year 2000—is a little disingenuous.

I cannot conceive of the Soviet Union depriving itself of nuclear weapons if it were likely that the Pakistanis or the Israelis or the Libyans had them, or could quickly manufacture them. I think that nuclear proliferation is something that genuinely gives them concern because of their perception of their inability to influence the course of events in what we generally would call Third World countries.

### CONFIDENCE BUILDING MEASURES

Chairman **Nunn**. General Odom, or any of you, do you have any observations about any confidence-building measures, or steps, increased warning time, and so forth, in the conventional arena, particularly in Europe, that you believe could be taken or thought about in terms of getting more assurance, confidence, that there not be an attack, even in crisis?

General **Odom**. I am very skeptical about confidence-building measures. I am very skeptical about on-site inspection except for some very narrow tasks. I think they tend to create an impression of an understanding of the other side and a level of verification confidence that is not justified.

Having spent 2 years looking at the Soviet Army in East Germany uninvited, I know how easy it is to deceive an on-site inspector. It is much more difficult to deceive our large and complex and multifaceted surveillance regime.

I put my confidence on it. And I will be interested in the stories that the inspectors tell us, but I would not base my judgments on them.

Chairman **NUNN**. Of course, it is not an either/or situation, is it?

General **ODOM**. Well, the political consequences of confidence-building measures seem to me to be possibly pernicious by generating an impression that there is a great degree of cooperation and a better understanding than, in fact, is the case.

Chairman **NUNN**. Any other observations along this line on conventional confidence-building?

Mr. **HORELICK**. Well, I would simply make the point that what you look for are confidence-building measures that complement and reinforce the kinds of monitoring that we do by unilateral means.

And in that respect, I do think that they do have a positive contribution to make. But I agree with Bill, that placing critical reliance on CSBMs, where these inspections are the sole, or the critical indicators, would be unwarrented and unwise.

But I really think it is a combination of sensible, structural arms control, together with the sensible kinds of operational arms control measures, backed by unilateral monitoring and verification measures that is best from our point of view.

Chairman **NUNN**. I would like to ask both General Odom and Mr. Horelick to respond. Both of you already have responded to some degree, but I would like to get it focused more in my mind.

### SOVIET MILITARY THREAT

What benchmarks should we establish, by we, I mean not just the United States, but the Alliance, for determining when and how the Soviet military threat has decreased to a point where some adjustments in our force posture might be warranted?

General Odom, what kind of benchmarks would you be looking for? Mr. Donnelly has given us a number of things he thinks are going to happen, but not limited to those, what would make you be more inclined to adjust our own force posture in response?

General **ODOM**. I am more concerned about the political equation than I am the military equation. The greatest and most significant change in the post-war period is the presence of Soviet forces in Germany.

That is the basis for the present East-West political alignment. He who controls the conventional arms control reductions will control how the alignment changes.

Any eagerness for force reductions should be measured against the enthusiasm one has for dealing with German reunification, for the reappearance of the old border disputes in East Europe, all of the political baggage that brings.

Until we have addressed these concerns and decided unambiguously that we want to see all those problems begin to reemerge and become the central issues instead of the issues we now face, we should have little or no enthusiasm for any reductions.

Chairman **Nunn**. Mr. Horelick.

Mr. **Horelick**. Well, let me just mention one——

Chairman **Nunn**. Well, General Odom, let me follow that up. Do you mean no reductions on either side?

General **Odom**. No, I would be delighted——

Chairman **Nunn**. What I mean is arms control.

General **Odom**. Right. I would be very delighted to see the Soviets move——

Chairman **Nunn**. Unilaterally.

General **Odom** [continuing]. All of their troops out of Eastern Europe, and particularly out of East Germany.

Chairman **Nunn**. But what about a negotiated conventional arms control? Is your enthusiasm for that very slight?

General **Odom**. Very slight. Because the complexities of verification and all the political ambiguity that goes with it strike me as fraught with all sorts of unintended consequences and unexpected outcomes.

Chairman **Nunn**. Thank you.

Mr. Horelick.

Mr. **Horelick**. Well, let me just comment on that. There is lots of room for lots more unilateral Soviet reductions before any significant Western conventional reductions would be justified or in order. But, frankly, I think it is unrealistic to look to the day when Soviet forces are removed from the German Democratic Republic with no reciprocating changes on the Western side.

With respect to your question about benchmarks, let me mention one in particular. We need to be seeing a lot more transparency in Soviet military decision making before we can have the kind of confidence that I believe we need to begin making any significant changes on our own side.

Even if the Soviets begin moving, as apparently they have not yet done, toward significant reductions in military expenditures, and I believe that is part of Gorbachev's agenda, until such time as they have institutionalized openness in defense decision making, we are not going to have sufficient confidence that that has occurred; or at least not have sufficient confidence, except after a long lag time, for a response to be justified.

So if the Soviets are serious about impressing on us their determination to make significant reductions, it would behoove them to make those political changes that would make those reductions credible to you and to the country, without which it seems to me any far-reaching U.S. response should not occur.

Chairman **Nunn**. Thank you.

Dr. Meyer, do you want to comment on that, and Mr. Donnelly?

Dr. **Meyer**. I just wanted to add the point——

Chairman **Nunn**. The question of benchmarks.

Dr. **Meyer**. The first 5-year plan that Gorbachev can really call his own is the 13th 5-year plan that will begin in 1991. In the plan before that, he inherited a lot of baggage, in fact, entirely baggage from previous years.

And so it is true that currently our estimates of Soviet military spending and our estimates of Soviet military output have actually gone up in the Gorbachev period compared to beforehand.

The real telling sign for me will be to see what happens to military industries, investment in military industries and output from those industries in the next 5-year plan. That is where we will really get to the core of what he is trying to do.

If, in fact, output continues the same way, that retooling of military industries remain in line with military output, then it really calls into question what is happening there in a fundamental way.

On the other hand, we should be able to know through national technical means if, in fact, his agenda is actually being implemented and these conversions are taking place.

And here I would only say that it is a mistake to assess the utility of on-site inspection out of context. We see a lot of things through national technical means which are open to interpretation. And different groups interpret those differently.

One of the things that—putting the two together, as Mr. Horelick said so well, is that you have a synergism between the two and it does provide you with a lot of very useful information.

And here is where I think on-site inspection, the ability to visit military production facilities, getting to understand better how those facilities work via on-site inspection, will help us understand the benchmarks that I have been talking about.

Chairman NUNN. Mr. Donnelly.

Mr. DONNELLY. On the political side, I think the implications of what have been said, especially that it is going to take some considerable time to see significant changes.

And in the ultimate, we are not going to trust the Soviet Union completely until it becomes a pluralistic society.

In terms of war fighting, I think we could do no better than use the Soviet military system's own mathematical calculation system to determine what their force capability is and what ours should be.

In other words, let us see ourselves through their eyes.

And in terms of arms control, it may be possible that we could use such force calculation to identify given weapon systems which we could try and negotiate the removal entirely of a type of weapon system from the table of organization and equipment so as to disrupt, for example, an offensive capacity.

And if one were to say which weapon system, in terms of ground forces, the answer will be something such as the armored personnel carrier, the absence of which will prevent definitively an in-depth offensive.

Chairman NUNN. Thank you very much. This has been an excellent panel. You have given us a lot of insights that are fundamental, in terms of our beginning assessment of what we do in our own Defense budget this year. I think it has been an excellent beginning.

So, Mr. Horelick, General Odom, Dr. Meyer, and Mr. Donnelly, I want to thank all of you for being here. We will continue this as we go along this year and in the future, so if you have further thoughts and ideas, the invitation is open for you to convey them to us.

Thank you so much.

[Additional statements and information submitted for the hearing record follow:]

[Prepared statement by Senator Strom Thurmond follows:]

### PREPARED STATEMENT OF SENATOR STROM THURMOND

Mr. Chairman: I want to congratulate you for holding these strategy hearings. They give us the opportunity to hear from the most distinguished experts on military and political strategy. This morning's hearing on the Gorbachev reforms and their implications for the United States is especially appropriate as a prelude to the hearings on the fiscal year 1990 budget. Most people don't fully understand "Glasnost" and "Perestroika" and their potential impact on the United States and the Free world.

During my 35 years in the U.S. Senate, I have witnessed many changes in the Soviet Union. Mr. Gorbachev's initiatives are by far the most radical and far reaching. I have observed. They have the potential of significantly improving the lives of the Soviet people and the economy of the Soviet Union.

I support many of the concepts advocated by Mr. Gorbachev to improve conditions in the Soviet Union. At the same time, I urge caution on the part of the Free world and especially the United States. We must not be deceived into letting down our defenses. Despite their good words, the Soviet Union still maintains the largest offensive military force in the world.

Mr. Chairman, I look forward to the testimony of our distinguished panel of witnesses. I especially want to thank General Odom for being here today. I have known him for a long time and know that he is a genuine expert on the Soviet Union. Thank you, Mr. Chairman.

From: C N Donnelly

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THE HONOURABLE SAM NUNN
CHAIRMAN
THE COMMITTEE ON ARMED FORCES
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WASHINGTON DC 20510

6th April 1989

Dear Senator Nunn

Thank you for inviting me to address your committee. I greatly enjoyed the experience. Following the session, there are two points which I think need reinforcing relative to your question of identifying 'benchmarks' to measure Soviet intentions and genuine willingness to reduce conventional offensive capability across the Inner German Border. To date Gorbachev has been so successful in persuading Europe of his changed national intentions that this has distracted attention from the fact that Soviet capabilities have not yet changed.

1. Removing the logistical infrastructure to support divisions over and above the number of those forces deployed.

Currently, there are massive Soviet stockpiles (fuel, ammo), based well forward, that are essential to the support of an offensive. Their removal to the rear would be real evidence of no intent to attack and their relocation forward would give adequate and unambigious warning. If these stocks are not moved, then relocating divisions to the rear is almost meaningless as manoeuvre units without logistic trains can be brought forward very rapidly.

US POMCUS stocks would also need to be moved. This would reduce costs and provide a basis for the creation of more reserve formations.

2. Removing an entire class of offensive vehicle/weapon system as an arms control measure.

Soviet offensive formations rely on combined arms action for success. If an entire class of weapons is removed this poses a serious problem of operational viability. Most weapons (eg tanks) are as important to the defender as they are to the attacker. Armoured Personnel Carriers/Infantry fighting vehicles (Bradley, M113, BMP, BTR 80) are essential to the attacker but much less important to the defender, who can dig in. Eliminating them would greatly reduce the offensive capability of each side.

As an afterthought, in answer to Senator Glenn's question as to what NATO should do to prevent the erosion of the threat perception and restore confidence, I think it most important that Western leaders take the lead in making such proposals vigorously, rather than ceding the initiative to Gorbachev.

# PROSPECTS FOR THE DEVELOPMENT OF SOVIET MILITARY POLICY

CHRIS DONNELLY

## The Political and Economic Background

"Maintenance of the Aim" is not only a sound military principle, it is also a good political principle. In Gorbachev's case, the aim must be nothing less than national survival - that is, the survival of the USSR as a superpower with the Communist Party in charge.

As a Leninist, Gorbachev's foreign policy is driven by Soviet domestic requirements and, over the past four years, these have not changed. The problem is, quite simply, that he has not yet succeeded in achieving the reforms necessary to ensure the viability of the country.

It is now 4 years since Gorbachev came to power, and the past year has seen his most energetic efforts to achieve reform. Yet Gorbachev's popularity at home has waned noticeably. If he were a Western leader, he would probably now be striving for re-election and there is no doubt that, on domestic performance, he would not succeed. Important though spectacular foreign policy successes and arms control agreements are, they cut remarkably little ice with a population whose standard of living is continuing to fall.

Three years of perestroyka had achieved virtually nothing. That, at least, was Gorbachev's reasoning when he called the 19th Party Conference in the summer of 1988. There was very little evidence of any real social and economic restructuring and of any change in popular attitudes, both of which are essential to Gorbachev's plan to rebuild a viable Soviet Union. The population had become discontented by falling living standards. Furthermore, the deliberate destabilization of Society essential to permit social manoeuvre (the objective of *glasnost* - the word comes from the Russian for 'voice', and signifies an exhortation to 'speak up' and challenge the social stagnation, corruption, incompetence, bureaucracy of the Brezhnev era) had alarmed and upset a great many Soviet citizens and added to their dissatisfaction.

If he is to survive and succeed, Gorbachev needs to revive the popular enthusiasm for his policies, and to 'kick start' the stalled engine of social change, to get *perestroyka* moving more and more rapidly. If he is to provide resources for this rapid economic development, it is hard to see where they can be found but in the defence sector of the economy. Really rapid and drastic switching of resources from defence to civilian projects would create more favourable circumstances for economic revival. It would also contribute to a change in national perceptions and increase the social mobility necessary for such drastic reorganisation.

Like Lenin, Gorbachev is both a realist and a visionary, and both these qualities, plus a keen sense of what is in the national interest and a determination to get the best of a bargain, have pervaded all his dealings with the West on arms control negotiations as well as his attitude towards the General Staff and the Soviet military machine.

For example, his disarmament programme to "rid the world of nuclear weapons by the year 2000" is nothing if not idealistic. It is also realistic in as much as, if it were to be implemented, Soviet security would be much enhanced because, at present, nuclear weapons are the only kind of weapons that could destroy the Soviet state. It is also a somewhat disingenious proposal in that, in a nuclear free world, the Soviet capacity to generate conventional forces would not make for happy neighbours. Furthermore, the thought that the USSR would give up a nuclear capacity when countries such as Pakistan, Libya or Israel might aquire one is also ludicrous. No, to be complete, the disarmament would have to be enforceable by a supra-national body to ensure that no country could develop a nuclear weapon in secret (not difficult now that the theory is well known and the technology widely available).

Such a supra-national body, of course, already exists - the United Nations. This may be one reason, therefore, why Gorbachev has so completely revised Soviet policy towards the UN. Instead of cynically exploiting the UN and ignoring its UN duties, the USSR has now embraced the organisation whole- heartedly, stressing its importance and the need for respect of international law. The choice of the UN for his 7th December 1989 offer of unilateral disarmament put the final touches to this change of attitude.

Of course, if the USSR is, by Gorbachev's own definition, entering a period of crisis and serious weakness which greatly reduces its ability to have a military impact on the world, then a strong supra-national body which can mobilize national opinions is very important. It can act then as a constraint on other nations which might seek to use this opportunity to their advantage - for example, the USA or South Africa. Gorbachev is seeking a political means of doing what he can no longer afford to do by military means. But let us remind ourselves that his motives are inspired by domestic needs. His disarmament programme is directly tied to the five year plans up to the year 2000, and even if Gorbachev's proposals only advance disarmament a short way down the path to the ultimate goal noted above, they will have achieved a great deal in releasing the resources necessary to fuel his plans for essential economic restructuring. This is not just because of the savings that will accrue to the nation from not maintaining or not modernising nuclear arms, but because a conventional attack without a nuclear backup is not today a credible threat to Soviet national survival from any quarter. The length of time that it would take a country such as China to build up such a capability would give the USSR adequate time to respond. The Soviet leadership accepts that the West has neither the will nor the capability to attack the USSR.

There is no evidence to suggest that Gorbachev is secretly a liberal, and that ultimately he wishes to create a western style democracy or a consumer economy. On the contrary, he has always stressed the principle of a one party state and a directed economy under the leadership of the Communist Party. His efforts to create what will amount to a 'loyal opposition' within the one-party system, and to encourage low level entrepreneural activity must not be constructed as going against Leninist principals. They do not. But none can deny that Gorbachev is a radical reformer, and that he is prepared to take the most drastic measures to achieve his ultimate objective - that is, the survival of Soviet society and the USSR as a superpower. There can also be little doubt that the role to be played by the Armed Forces within this restructured Soviet Union is somewhat different than the role the military has played heretofore "New thinking on defence" is not just a reference to defensive tactics; it is more a re-appraisal of the place of the military in Soviet Society.

The fact is that for seventy years, the Communist Party has been at great pains to prevent a military coup. It has been most successful, and there is as little likelihood of the military seizing power from the Party in the USSR as there is of a military takeover in, say the U.K., U.S.A., or France. But for the whole of that seventy years, the General Staff has had a complete monopoly of advice to the Party leadership on what Soviet terminology identifies as the "military technical element of military doctrine", that is, on how to prepare for and fight wars.

So horrific has been the Soviet State's experience of war this century that there has long been a consensus on the prime need for massive military power as a guarantor of national security. The wartime experience of every Soviet leader before Gorbachev reinforced their readiness to accept this advice on the need for the USSR first and foremost to develop its ability to fight wars. Born in the civil war and reformed between 1941-5, the General Staff's military system ensured that every element of Soviet society was organized primarly for war fighting. It did not so much create a war machine for the USSR as make a war machine of the USSR. The result was total distortion of the national economic system, backed up by a supporting national fear of war and fear of the West, this fear being induced by constant propaganda and lack of exposure of the bulk of the population to any ideas but those of the Party and Government.

It is ironic that, in its attempt to prevent "military Bonapartism", the Party, in giving the General Staff a monopoly of authority on military matters, actually let it set the entire national agenda. It is this military grip on policy that Gorbachev needs to break, as well as restructuring the Soviet economic and social systems so as to undo the debilitating effect it has had on the nation's collective health.

The military system has since WWII had a virtual monopoly on high technology research and development in the USSR, and has first (and often exclusive) access to technology acquired from the West. The military system also ties up large resources of raw material and, of course, has the best available manpower and production facilities. The problem is, how to change this without dismantling the military system completely - a thing Gorbachev would not and could not do - and how to effect such a change quickly, for time is not on Gorbachev's side. He needs to show economic improvement quickly if he is not to lose completely the confidence of the Soviet people and of his colleagues in office.

Unfortunately, Gorbachev has no budgetary means of curtailing defence expenditure efficiently. He does not even have a means of measuring defence costs accurately. The traditional lack of Soviet economic data which has always posed a problem for Western analysts poses far more serious a problem for Gorbachev as he contemplates the reform of that economy in the face of resistance from many quarters, not the least from those with a vested interest in keeping the system the way it is.

The economic sphere is not the only one where lack of information is debilitating. *Glasnost* is only just beginning to make statistics available in the social sphere. As these statistics become available, they will only serve to increase the popular dissatisfaction with the Party's method of leadership over past decades. The Communist Party has lost all credibility and commands virtually no public respect: the USSR faces a social crisis every bit as great as its pending economic crisis, and the resolution of the latter is impossible without the resolution of the former. The sense of social injustice amongst the Soviet population is very high, and political instability feeds on this. It is not just a problem of chronic shortages - the Russians have amply demonstrated their ability to suffer that for many of the years of this century - it is the grossly unfair distribution system and vast differentials of privilege that fuel this sense of grievance. Stalin's own son was killed fighting in WWII (as was Roosevelts). But no son of a Central Committee member so much as even did military service in over nine years of war in Afganistan. But the Party is privilege. Whilst the rank and file party member lives no better than his fellows, the senior Party *apparatchik* does. The party apparatus is the surest ladder to prestige, privilege and power. Destroy privilege and much of the Party's attractiveness will go with it. "Cleaning up" the Party (the Russian word is *Chistka*, usually translated as 'purge') without destroying it will be one of Gorbachev's most difficult tasks.

We have sketched these problems as a reminder of the magnitude and complexity of the tasks facing Gorbachev in the all - important domestic arena. It is all to easy to look at his military policy, his relations with the General Staff, and his arms control agenda in isolation and to forget how these must interlink with other, often more immediate and fundamental issues that demand his urgent attention. The Soviet military system is an integral part of Gorbachev's domestic problem in a way in which it is not a part of a Western leader's domestic problems. National service and military industrial interests notwithstanding, the military impact on our societies is very small when compared with the USSR. Furthermore, although military policy and arms control are subordinate to Soviet domestic policies, they can also have a dramatic influence on these policies, and at the current time, it is certainly Gorbachev's intent that they should do so.

Eastern Europe

If we are right, and Gorbachev's main aim is the survival of the USSR, then, in the final analysis, however undesirable it might appear, Eastern Europe must be considered as expendable to the Soviet Union.

Ideally Gorbachev must wish for an Eastern Europe which is politically stable, economically viable, and within the Soviet sphere of influence. But with Warsaw Pact cohesion dissolving more rapidly then NATO's, with the divergent views expressed in different E. European countries, and with deteriorating economic circumstances in all of them, clearly something less than ideal may be acceptable.

Gorbachev's "Common European House" concept is an attempt to stop the rot and ensure a degree of statility by spreading the responsibility for the maintenance of the status quo onto all European nations. Within European countries, democratic movements should be channelled into becoming "minority loyal opposition" within a one-party state, on the new Soviet model, where the Communist Party has overall control, but is more responsive to popular demands.

This *'democratization'* is likely to happen more rapidly in some E. European countries than can be expected in the USSR. E. European countries can expect a greater degree of automony, with the 'Brehnez Doctrine' replaced by 'peer pressure' from all European countries not to disturb the political and economic stability of what is presented in the 'Common European House' idea as an inter-dependent grouping. The Soviet hope is that Western economic strength will keep E. European countries afloat and contribute to their economic revival.

The key issue is that of Germany. "All Europe wants two Germanies" is the official East German cry. "This is what brought peace to Europe and peace in Europe depends on this continuing." But 'two Germanies' is unthinkable unless each Germany has a different social system. 'The Wall' will come down only when the reasons for which it was built no longer exist. The Common European House involves a recognition of this by all European countries, and devolves onto every country an equal share of responsibility in maintaining the status quo.

## The Third World

All signs point to the fact that the USSR has decided that its interests are currently best served by limiting its military activity in the third world. This is not a cutting of links but a switching from military to diplomatic and economic activity. Whether this is a unilateral decision, or is part of a tacit agreement with the US (perhaps in exchange for an agreement not to interfere in E. Europe) is not possible to say. However, the withdrawal of Cuban troops from Angola, the reduction of military assistance to Ethiopia and the revival of links with South Africa certainly points in this direction as far as Africa is concerned.

In Latin America, the same trend seems to indicate that the USSR would not be prepared to support a regional war where that involved the U.S. In the Pacific, the USSR is making great efforts to reduce its military profile and parade a more attractive model for states in the region, mending its relations with China and doing everything possible to reduce causes of confrontation.

## Military Doctrine

The recent amendment of Soviet military Doctrine to include, as a new prime element, "war prevention" will, for the first time, force the General Staff to consider the impact of their military preparation on society and on issues of policy. It will, to use Soviet terminology, oblige them to recognise the interaction of the military-technical and socio-political elements of doctrine, and to give precedence to the latter.

War and armed forces remain tools of policy, but it is our assessment that, in Gorbachev's view, they are at present tools with a greatly reduced utility, viz:

(a) The "Brezhnev Doctrine" Gorbachev cannot use force to bring Eastern European states to heel without totally wrecking his entire political reform programme and alienating Western societies.

(b) The conventional and theatre nuclear build up against NATO, despite its war-fighting rationale, actually spurred NATO to rearm, modernise its conventional weapons and introduce new theatre nuclear forces (I.N.F.). In total, this significantly reduced Soviet relative security.

(c) The Soviet strategic nuclear buildup and aggressive public diplomacy spurred the U.S. to its committment to SDI, posing not only the threat of Soviet strategic inferiority but also the danger of the USSR being out-stripped by rapid advances in Western high technology applicable in the civilian and conventional military spheres.

(d) The clear evidence of inefficiencies and problems within the Soviet military system, coupled with the difficulties attendant on the implementation of new concepts for the high speed offensive, raised doubts that the Soviet Armed Forces could actually win any war against NATO within the conventional phase. If this were true, then a great deal of the enormous investment made to acquire and maintain that pre-emptive offensive capability had infact been wasted.

(e) Serious fears had developed that, whilst prospects for relative * technological capabilities in the short term (to 1995) were good, prospects of the West deploying weapons based on new physical principles (and the Soviet Union being unable to follow suit) were very bad in the medium (1995-2005) and long terms (2005-2015). The corresponding requirement to reform the officer training system to handle new technologies and cope with the changes in warefare that their introduction will bring about increases the scale of this problem. If the military implement was not to be a useful tool of policy in the near term, in the far term the situation showed no sign of improvement.

(f) The Soviet military and political failure in Afghanistan demonstrated the inadvisability of war against a third world state, even one on the Soviet Union's borders with minimal

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* *That is to say, in fielded military technology overall, th USSR is not significantly behind the West.*

logistic problems. The extent to which the Afghan conflict hindered good relations with the West, the Middle East and with China added to the damage the war did to Soviet interests and the national image abroad.

(g) The size and deployment posture of the Soviet Army maintained a perception in the West of the 'Soviet Threat' which promised to hinder Soviet access to the Western technology, finance and above all industrial expertise, so important to the rapid improvement of the Soviet economy.

(h) When Gorbachev assessed the real threat to the USSR to be crisis and collapse, occassioned by the decreasing quality of life in the USSR and the increasing gap between it and Western living standards, and when he acknowledged that the West presented no imminent military threat, he was not only accusing the General Staff of preparing against the wrong threat (by preparing a military tool of little real utility) but also, by this, of contributing to the real threat by increasing the military drain on the Soviet economy.

To these factors must be added several other considerations which serve influence change in the same direction. Firstly, the need for massive and rapid reallocation of resources to the civil economy for: the modernization of the State's basic scientific and technical foundations; the improvement of the educatotional system; the increase of labour mobility and quality; and the revival of social morale, all would be improved by a cut in standing forces and a clear demonstration of a reduction in investment in military expenditure. However to be really significant, the cuts would have to be far greater than the unilateral measures proposed by Gorbachev on 7th December 1988. They would also have to be reflected in procurement and changes in the military- political infrastructure.

However, such massive cuts would require reciprocation by the USSR's political opponents to be acceptable. Yet Gorbachev clearly feared the delay that military-political establishments in both East and West could impose on such proposals, either out of concern for overlooking a hidden disadvantage in a hasty agreement, or because of vested interest in maintaining personal empires. But with the need for speed in the resolution of his domestic problems, time to parley was one thing Gorbachev was short of. The unilateral proposal of 7th December was designed to beat the log-jam and spark, ideally, a series of reciprocal reductions in Western countries - a series of mutually reciprocated unilateral cuts - as the quickest way to achieve build-down.

Secondly, the General Staff had accepted the need for a more efficient and effective military machine and if, this were to mean no great increase in the defence budget, better would mean smaller. In the long term this would improve Soviet military performance. But mutual reduction would be needed to maintain the relative strength of the Soviet defence effort.

To this must be added a third factor: the General Staff's considerations of military requirements for battle.

(a) The General Staff have long based their planning for war on calculation * and military forecasting. But recent advances in military technology make for less predictability because their effects cannot easily be calculated by current Soviet methods, and in the medium and long term, the statistical impact of new technology is very hard indeed to determine. The need for predictability calls for a reduction in the rate of new weapons development, reinforcing the economic arguement for force reduction.

* *Their calculations also determine the relative importance of weapons systems in the opposing sides' operational concepts. These points are discussed in more detail below and have been treated at length in earlier studies.*

(D) This General Staff assessment takes account of the need for a reduction in the density of the battlefield of the future if high tempos of operation are to be maintained in the face of new weapon systems. That is to say, not only does better mean smaller, but smaller is better.

But smaller size is not to be achieved by simple or random cuts. It involves a radical restructuring of the armed forces' organisation and force structure, and consequent changes in tactics and training, to enable the military machine come to terms with the battlefield of the future. Military rationale alone had since the late 1970's been generating study, experimentation and force restructuring within the Armed Forces before ever Gorbachev intervened to add his political impetus and sence of urgency to the course of change. The General Staff have now to proceed with reorganisation at a much greater speed and to a much more radical extent, to 'square off' their military reform agenda with Gorbachev's political requirement to reduce the military budget and establish a force posture less provocative to the West. However, the very nature of the Soviet General Staff system once it can be mobilized to action on this issue will provide a most effective vehicle for the implementation of what would be very painful changes for any national military system.

No Western nation has such a General Staff system, and radical institutional change in peacetime will for them be even more difficult.

All the above factors provide the spur for 'New thinking on Defence', - that is a change from old-fashioned "Breznevik" thinking on the utility of the military implement, on the likelihood and nature of future war, on the rapid developments in technology, and on the role of the military in (and its impact on) society. Underlying all is the need for radical cuts in defence expenditure, coupled with the high possibility of achieving such cuts if conditions are right, that is, if the West can be persuaded to follow suit.

## Relations with the General Staff

The General Staff is the brain of the Soviet Army and, as such, it is with the General Staff that Gorbachev really deals when we speak of him dealing with the 'Soviet Military'. Whilst, as we have noted above, it appears that he wishes to reduce their influence on policy, Gorbachev cannot afford to - nor would he wish to - destroy the General Staff because this is one of the Soviet Armed Forces' greatest assests. His task is to get the General Staff fully on his side, to trim its political influence but leave its intellectual and organisational abilities unimpaired and even enhanced by rejuvenation and the clearing out of 'dead wood'.

Like any institution, the General Staff has an institutional identity and strong institutional self-interests which it will undoubtedly try to defend. But equally, like any intellectual institution, it is not monolithic. Its members express differing points of view on many issues, not the least of which are the problems of military modernisation, the nature of future battle, and how to prepare the Armed Forces to meet the challenges of the future.

In one sense, the General Staff is the victim of its own success. The military system which it has built up, the operational and tactical concepts it has developed, and th equipment it has produced,are not simply excellent, they ar eminently sensible answers to the problems that the General Staf considered its duty to answer, that is - how to prepare for an win a war if one became necessary. A pre-emptive attack t achieve surprise, a high speed conventional offensive, and rapid end to the campaign do make good sense when considerin

NATO posture, structure and special features. Unfortunately, because structure is a child of function the investment in training, organisation and equipment that the General Staff directed in consequence has produced a military system which may now have to adapt to a somewhat different function. Not only is this a painful process, but there are some, perhaps many, in the General Staff who think this ill-advised. It is the duty of the General Staff after all, to provide the USSR with the capability to fight a war if it becomes necessary, and for a long time it is in fact the General Staff which, as sole purveyor of military advice to the leadership, has been deciding what kind of wars these were to be and how likely they were to be waged.

Even if, as seems certain, the General Staff as a whole recognise the need for cuts in defence expenditure for social and economic reasons, there is still plenty of room for differences of opinion as to how big these cuts should be, exactly how the Soviet Armed Forces should develop, and just what posture and operational concepts they should adopt, especially in the short term. The plan developed by Marshal Ogarkov and his colleagues for the modernisation of the armed forces and their long term development has not been repudiated. But the pace of change has been accelerated and some difficult decisions on priorities for resource allocation are now needed. This again is cause for disagreement and debate, made more heated by Gorbachev's emphasis on moving ever more quickly.

The resource problem in the long term demands the switch of high technology, R & D and production assets into the improvement of Soviet basic science (not into making consumer goods) so that, in the technological world of tomorrow, the USSR will have the capability to manufacture tomorrow's weaponry. But for the short term, for modernising and reforming the Soviet Armed Forces for 1995-2000, the technology is already available.

The problem is to decide on: (a) how to incorporate it into weapons and equipment; (b) which weapons and equipment to concentrate on; and (c) how to incorporate these into the Armed Forces in the most effective and efficient manner. The options for investment would appear to be: 1. Platforms (tanks, ships, planes etc), 2. Systems (missiles, guidance, observation, guns, radar etc), 3. Command and control, (computers, communications, organisations) and 4. Training. The modernization and improvement of all these might be accomplished in some measure but not all can be accomplished in full measure.. It would be far too costly.

The debate as to what priorities should be established for modernisation is by no means complete, and clearly past priorities will take some time to alter. It would seem, for example, that production of some platforms (tanks, aircraft, submarines) is still proceeding at a high rate. But it appears to us that the priorities for the next 5 year plan (1990-5) will be: firstly to modernize Command Control and Intelligence (which will drive the structural re-organisation of the Armed Forces over that period); secondly to improve training so as to be able to implement the new concepts; thirdly, to develop new weapons systems; and only finally to replace platforms. This last decision should be made on the basis that new technology threatens to render platforms planned today obsolete long before the end of their economic life cycle. This is a factor equally important for Western planners and procurement staffs to bear in mind.

A reduction in size of the Armed Forces will clearly make for a reduction in the problem, if only by reducing the scale of the problem. But it also points to the fact that a reduction in defence spending is necessary in order to fund this modernisation and that shifts in resource allocation will not just be from the military to the civilian sector but within the military itself. Such cuts might, incidentally, also help change Western perceptions, giving greater credence to the theory that the USSR is cutting its defence expenditium more rapidy than might in fact be the case.

The issue of weapons modernisation is a significant issue in its own right, bearing as it does on the future of battles and the Soviet system of planning for that battle. As was noted above, the Soviet General Staff place a very heavy reliance on calculations when planning for battle. But today, numbers of forces alone are not sufficient for accurate calculation. A measure of quality must be taken and introduced into those calculations. Even for minor tactics this is difficult, and when it is done, the results are most telling. For example, by current Soviet calculation, the British troops in the Falklands were overall twice as good as their Argentinian opponents, and in terms of fighting quality are assessed as approximately 1.5 times as good as today's Soviet soldier.

This does not mean that fighting generally will compensate for lack of adequate weaponry - no matter how good a soldier is, he cannot destroy a tank or an aircraft if he does not have the right kit. However, the more complex the battle becomes, the more quality impacts upon it. The range, rate of fire and lethality of modern weapons gives disproportianate advantage to quality, and numbers become increasingly less important. New weapons offer precision over great distance, and rely on good intelligence and rapid reaction as well as technical sophistication.

In this, mindful of their awareness of their own military problems and the traditional Soviet respect for western technology, the Soviet General Staff reckons the West to have a decided potential advantage if the West invests its technical expertise in modern weapons systems and in civilian technology applicable to military uses - a strong reason for the USSR wishing to delay modernisation of all classes of weapon systems and to press for the elimination of missiles and aircraft capable of delivering such new weapons.

Furthermore, long-range super-accurate new weapons can, if linked with effective means of targetting and control, confer initiative onto the defender. Indeed, they make the traditional distinction between 'offensive' and 'defensive' weapons system much less valid, so much so, that this must become reflected in Soviet force structure changes so as to permit the use of new weapons systems in a more versatile way.

In terms of environment, perhaps the most dramatic development to be expected over the next decade will be the use of space-based systems and the defence against them. This will not necessarily involve weapons in space, but communications and observation from space will become ever more important. Military utility has long been a driving principal of Soviet space exploration and explains their concentration on Earth orbit, from which weapons and systems can impact upon a land/air battle, rather than on the moon, from where they cannot.

If we are right in our analysis as to priorites, tentative though it must remain, then we are likely over the next few years to see a rise in attention given to such developments as the recce-strike and recce-fire complexes (C3I developments for improving the effective reaction times by perfecting the combination of target acquisition, intelligence analysis, targetting and control procedures. But we shall also expect to see a smaller number of significantly new systems being produced and a reduced flow of updated systems. We will, for example, be unlikely to see the widespread introduction of a heavy infantry combat vehicle (the BMP-3) on the grounds that, however important it might be in the short term for the survival of infantry, in the long term it will become obsolete too soon. A really clever interim measure might be to keep the automotive components of dismantled tanks to facilitate the rapid creation of a vehicle for heavy infantry assault (on the lines of the WWII British "Ram-Kangaroo") should this become necessary.

During the course of the past 18 months it does appear that Gorbachev's increasing impatience to speed up the rate of military reform has created no little degree of friction between himself and the General Staff. In parallel with his plans for political reform, it appears that he has attempted to establish a system to provide a 'second opinion' on military matters to break the unhealthy monopoly of the General Staff as military advisors. His encouragement of the Institutes of the Academy of Sciences to develope an expertise in military affairs serves two ends. It allows for an alteration view point to be expressed internally, and it increases the value of the Institutes as gatherers and puveyors of information in the West. The institutional links between the Institutes of the KGB (whereas the General Staff information machine is the GRU) should assist in their maintaining institutional independence from the military. It is these Institutes which have been the most outspoken in their proposals for alternative answers to the question of how the USSR is to be defended. In addition, a larger role seems to have been given to the Central Committee in determining the details of military policy. Both the Institutes and the Central Committee rely on military specialists, retired or serving General Staff officers, for professional advice, but the Institutes in particular can supplement their ideas with information and concepts from the West. The General Staff, of course, have long held 'defence intellectuals' both Western and Soviet, in deep contempt and this does not help to ease the friction generated by this establishment of a 'loyal opposition' within the defence system. The General Staff have never accepted the military validity of such concepts as 'non provocative defence', holding them to be, quite simply, military nonsense. The General Staff still holds that a decisive offensive (or counter - offensive) capability is essential to effective defence. A very great many of their Western counterparts would agree with them on this.

By a similar measure, the General Staff have made no secret of their opposition to unilateral force reduction on the grounds that these could bring no military advantage to the USSR. In overiding what was apparently their institutional advice, Gorbachev demonstrated his determination to advance reform at a fast pace. His questioning earlier in the year of the need for a system based on universal conscription (a real sacred cow in the Soviet defence establishment) leaves no doubt as to the radical extent of reform which he wishes the General Staff to consider.

Further evidence for this can be construed from the appointment to senior organisational posts of a number of very junior General Staff officers. The new CGS is only 49 years of age, several new military district commanders under 50 have just been appointed. But it is important to point out that these new appointments are to 'housekeeping' positions, where a new administrative broom is needed to sweep clean, and introduce systematic reform. There has so far been less rejuvenation in the posts where long experience in command is an essential for effectiveness, that is, the senior field command positions where in war the commander in chief would be faced with manouevering groups of armies within a theatre or on a major axis.

The tasks facing the General Staff, then, would appear to be (a) to rethink strategic and operational options in the light of the overall political framework of *perestroyka* and the current world correlation of forces in the political, economic and social arenas; (b) to plan the defence of the USSR with fewer forces and resources; (c) to devise concepts of defence which are less provocative to the West, (but not necessarily non-offensive): (d) to develop a more effective way of using military manpower, revising the training and mobilization system, (this will not mean abandoning the conscription system in favour of regular or militia forces, but exploring alterations and amendments to the current system, making for a more effective and rapid mobilization capability); (e) to plan the restructuring of the Soviet Armed Forces to match the changes in their function brought about by the proposed reductions, by the new concepts of operations and tactics, and by the introduction of new technology. These structural changes will perforce affect the Soviet Armed Forces at every level, from battalion through field formations to Military District and Arms of Service.

## Possible Changes in Force Structure and Posture

Since Gorbachev's 7th December 1988 speech to the UN, a great deal of attention has been focussed on how the USSR will implement the proposed reductions and what impact these will have on Soviet combat capability.

If the Western analyst's perception was that the USSR was likely to launch a bolt-from-the-blue attack and that it could and might do so at 48 hours notice, then the reductions will seem very significant indeed. This is because as long as NATO remains at its current strength and readiness, the reductions will render the Soviet Armed Forces in E Europe incapable of launching such an attack without giving unambiguous warning. However, for those analysts who never thought this a plausable scenario, and whose interpretation of 'surprise' was limited surprise achieved by deception during a long and serious pre-war crisis, the significance of the reductions will lie in the fact that they indicate that the Soviet leadership does not think that war with the West is imminent.

One thing is certain, the force reductions announced last December are for Gorbachev only the start of what he will need to achieve by way of defence cuts. Let us recap on a few of the military and political factors driving the current policy.

(a) Gorbachev needs to reduce the nuclear threat to the USSR. The fewer nuclear weapons NATO has, the fewer ready conventional forces the USSR needs.

(b) Significant reduction in conventional forces, coupled with no need to invest heavily in new weapons, is necessary to fuel Gorbachev's economic reform.

(c) Gorbachev could not afford long winded and detailed negotiations. Time is not on his side. He needs real improvement within 3 years.

(d) The USSR needs easy access to technology, finance and industrial expertise from the West. This cannot be achieved unless the West's perception of the Soviet is reduced.

(e) There are strict limits to the extent to which Gorbachev can risk alientating the Soviet General Staff by forcing on them military options which they dislike.

(f) Technology is changing the nature of battle very rapidly and past methods of calculation and planning are becoming less reliable.

(g) The characteristics of new equipment and weapons, their long range and great accuracy, make them more versatile and equally useful in attack and defence.

(h) Technical developments in the future will change the relative value of weapons and systems and put higher premium on (i) efficient Command, Control & Intelligence (C3I), and (ii) the organisational ability to switch rapidly from defence to attack and back.

(i) Current force structures and military organisation are not suited to the needs of tomorrow's battle and to exploiting the characteristsics of new kit.

(j) To maintain high tempo on the future battlefield the Soviet Army needs the lowest force density consistent with cohesion.

(k) The General Staff still believes that it is essential to maintain an offensive capability if defence is to be effective.

To the above factors, we must add the following considerations. Gorbachev has:

(a) stressed the need for rapid and deep cuts;

(b) promised to reorganise every Soviet division in E Germany. Tank Divisions are to be reduced to 220/240 tanks, MR Divisions to 160. There is to be a 50% increase in anti-tank and anti aircraft weapons in forward defence sectors;

(c) encouraged force cuts in E European armies;

(d) promised that we will see the Soviet armed Forces in Eastern Europe adopt a clearly defensive character;

(e) set in motion a reform of the Soviet General Staff;

(f) begun studies on reforming the conscription system and improving the means of rapid mobilization;

(g) pushed the Soviet Armed Forces to improve its training system, rethink its operation and tactics, and complete its structural reorganisations.

The sum of these factors leads us to the following conclusions:- We should soon expect to see really significant changes in Soviet structure and deployment in Europe, perhaps along the following lines

1. The maintenance of a strong border covering force by th East German army.

2. The creation initially, probably opposite US and German Corps areas, of "Fortified Regions" - extensive in-depth all-round terrain fortifications manned by Soviet and E German forces

and saturated with artillery, anti-aircraft, rapid fire anti-personnel, and anti-tank weapons.

3. The reorganisation of Soviet mobile armies into corps-brigade formations, withdrawn from border areas and deployed in depth as counter-attack forces.

4. Other groups of Soviet forces and WP armies following suit.

5. The gradual disbanding of airborne divisions and their re-allocation as airborne brigades, deployed in-depth as an integral part of combined arms corps.

6. The reduction of displaced forces to Cadre status with improved levels of reserved training.

7. The reorganisation of Military Districts to cope with this new training/mobilization role and to establish modern defensive plans with fewer ready forces.

8. The development of the theatre command system to include the command tasks previously done by the MD's.

9. The reorganisation of arms of service to take account of

(a) The increased importance of space defence and its co-ordination with air defence.. .

(b) The combined arms nature of future battle, doing away with the need for seperate army and air force arms.

(c) The need for a unified rear area/mobilization reorganisation.

Such a reorganisation would confer several advantages:

(a) It would guarantee the effective defence of Eastern Europe and the USSR, but this could be done at approximately half current ready force levels.

(b) It would permit the reorganisation of combat forces along more versatile lines to keep pace with the demands of new tactics and technology.

(c) It would enable forces of different qualities to be used - less versatile forces in defence, higher quality troops with better leadership and command and control assets deployed as mobile counter-attack forces.

(d) It would permit the General Staff to retain its offensive capability.

(e) It would be much less provocative as it would appear "obviously defensive."

(f) It would ease the integration of land and air operations by permitting air operation corridors to coincide with the corridors for deploying ground (counter attack) mobile forces, enabling a simple weapons -free/weapons-tight policy to be implemented. AA forces in defensive regions could be hard-wired as proof against EW attack.

(g) It would render Soviet forces less vulnerable to new technology weapons by virtue of their ability to create fortifications and deploy in-depth.

(h) It would permit of intrusive verification without loss of security.

We must always bear in mind that the concept of "reasonable defence sufficiency" - the term used to describe this reorganisation, is not an element of doctrine but a product of new doctrinal thinking. It is a tool of policy, a device to help achieve the political objectives of Gorbachev, viz: reducing the threat from the West, especially the nuclear threat; reducing the need to compete by retarding Western force modernization and the development of new weapons; assisting resource reallocation within and from the military; and facilitating military restructuring for greater efficiency.

Implications for the West

If NATO made no response to a Soviet reorganisation such as that suggested above, then the USSR would still be secure from attack, because the concepts are military sound (whereas in the view of the Soviet General Staff, purely 'defensive defence' concepts are not military sound). The Soviet force reductions would still be essential to fund modernization and development of new weapons for the Soviet armed forces to match what NATO might continue to develop

But the "number crunching" approach common in the West holds that, in the face of such a Warsaw Pact proposal (to cut ready forces to half current limits), NATO's refusal to make similar cuts is untenable. This may become political reality, but it ignores the operational reality that a significantly reduced density of NATO forces may not leave NATO with a credible military defence, and NATO reliance on nuclear deterrence will actually increase. Yet this nuclear deterrent is itself under increased pressure, and its credibilaty (particularly in West Germany) is being eroded by Soviet political initiative.

It will need a considerable technical amount of explanation to the NATO publics to explain why reduction in density may not be in NATO's interest if public support for current defence policy is to be maintained.

Based on the political analysis he has receieved, Gorbachev may be banking on NATO's inability to act quickly and coherently to his proposals. Soviet diplomacy may encourage some European member states to make unilateral decisions to cut conventional forces and oppose nuclear modernization. This in turn would weaken US resolve and encourage the US to make similar reductions in its committment to Europe. A failure to pursue nuclear modernization will lead over time to a defacto tactical de-nuclearization of NATO. This de-nuclearization is, after all, the main military objective of Soviet force cuts, nuclear and conventional. It is nuclear weapons which currently pose the only real military threat to the USSR.

Parity of ready forces at a significantly lower density than today does not make for stability if no account is taken of reserve mobilization capacity. NATO can probably ensure the defence of Europe at 50% of current ready force levels if it adopts the Soviet model described above - that is, if NATO adopts terrain fortification in-depth, manned by cadre forces with rapid mobilization potential, with large reserves, and a mobile counter attack force in-depth backed up by modern nuclear weapons. To this must be added the requirement for investment in technology applicable to new weapons and intense research into their effective application in battle.

But such a reform would be painful for NATO nations. It would require a modification of forward defence, the acceptance of fortification and deployment in depth, the reallocation of resources, and the adoption, for example by the UK and the USA, of a cadre/mobilization system for at least part of their forces. It highlights a possible need to switch military functions (such as close air support switched from air forces to army artilery) Without a General Staff such changes will be difficult in peacetime. It also implies a reduced US and UK deployment of ready forces in Germany. Furthermore, it means that the 50% reduction in deployed strength would not give a 50% reduction in defence budgets.

Gorbachev may assess that NATO is incapable of making this institutional adjustment. But without such an adjustment, reduction in forces in Europe will be destabilizing rather than increase stability, and will contribute to a Soviet military advantage.

It is in Soviet interest to seek reciprocal unilateral reductions by each NATO member without a centralized and coherent plan and without co-ordination. Any NATO delay in formulating policy proposals to match those of Gorbachev increases the likelihood of this. It is for this reason that NATO proposals for 'security building,' 'negotiation', 'verification' are likely to be met by Soviet counter-proposals simply to reduce weapons and forces. It is not in the Soviet interest for NATO to abandon forward defence in favour of a defence in-depth on what we think will be the new Soviet lines. On the contrary, a NATO forward defensive posture at much lower force levels is by Soviet calculations a less effective defence If to this can be added a reduction in NATO air power (which is NATO's only operational reserve until mobilization is complete) and an increase in Soviet air defence density (already many times that of NATO), Soviet military advantage will be even further enhanced.

It is worth reminding ourselves of several relevant points in this regard.

- We do not really know the extent of weapons stockpiles in the USSR. IISS figures are the number of divisions multiplied by the number of tanks in the Soviet order of battle. We have never identified a tank scrapping plant.

- NATO has always shrunk from a net assessment of NATO national forces and has no statistical basis on which to "see ourselves as others see us". This makes it difficult to interprete Soviet military and political proposals in terms of their perception of advantage.

- By Soviet methods of analysis, NATO has never been really serious about the conventional defence of Europe. If it had been, then NATO forces would have made the same terrain modifications and fortifications that are to be found in East Germany. NATO has relied on nuclear deterrence, and this will be a difficult mindset to change.

Maskirovka

Finally, we should in all our assessments of Soviet policy, never forget the very sophisticated role played by the KGB, and the function of MASKIROVKA - deception to mould Western attitudes towards an acceptance of what is in the Soviet interest.

Deception is not falsehood and lies, it is the careful selection and manipulation of facts to achieve a given aim.

For a long time we have been aware of Gorbachev's P.R. initiatives to appeal to Western voters over the heads of their governments. Now this would appear to have been supplemented by concerted and serious attempts to change the perception of Parliamentarians outside the government and of those 'experts' in advisory positions to whom politicians will turn for advice when confronted with a Soviet proposal. In its extreme form, it involves forging personal links between senior Soviet and Western military and political leaders, and 'chatting up' and flattering influential anaylysts (particularly non-Russian speakers and those deemed less astute), enhancing their credibility in the Westen circles in which they move by feeding them titbits of information, 'leaking' new facts, all in an atmosphere of great frankness and self criticm on the Soviet part.

In one sense, of course, this is the way all nations try to manipulate opinions in a competitor-nation. The difference lies here in: (a) scale - the Soviet effort is orders of magnitude greater than that mounted by Western nations against each other, (b) co-ordination - no Western nation has the equivalent of the KGB to co-ordinate at the highest political level the activities of so many diverse sources of information, and no nation has invested the effort in preparing specialists to do this and; (c) the Western public are not as alert to this manipulation by Soviet sources as they would be if it were being preached by another Western country.

None of this is to say that Gorbachev's efforts at reform are insincere, nor that his proposals are just attempts to "pull the wool over our eyes". Not at all. Gorbachev is an astute politician who is simply trying to do the best for his country, and who will use any means he deems fit to get the better of a deal in the long term, rather than looking for simple short term gains. It is just to say that we should apply a rigorous test to all his proposals to evaluate them as to (a) his real intent, (b) the advantage for us and (c) the long tem implications for our current way of "doing business". Like a chess player, we have to think not one but three or four moves ahead.

To the questions "should we be helping Gorbachev in his efforts?", and "Is it in our interest that he succeed or fail?" I would answer that, on purely human grounds I should like to see him succeed in improving the lot of the average Russian, though I do not think that he will succeed with his current socialist model. From a standpoint of national self interest, and with European security and stability in mind, I must say that it is less important to us whether Gorbachev succeeds or fails in the long run, than that for the sake of stability and safety he should not do either too quickly.

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# Managing U.S.-Soviet Relations in the 1990s

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# SUMMARY

This report considers the effects of the process of change initiated by Gorbachev on the Soviet Union's probable future internal development and external behavior, and the appropriate U.S. strategy toward the USSR under these conditions.

The Soviet Union has been perceived as a major security threat to the West largely because of its formidable military capabilities and aggressive external behavior; the threat appeared magnified by the apparent connection of Soviet power and external behavior to the central features of the Soviet system—communist ideology, totalitarian/authoritarian social-political structure, and centralized, military-favoring economic organization. Western views have varied on the relative weight of the internal or external factors and therefore on the advisability of directing Western policy to one or the other ends of this nexus. With the advent of Gorbachev, Soviet domestic and foreign policy change seem to be coming together, and many people in the West now believe that the Soviet system is at last being transformed.

How much has the Soviet Union changed in fact?

Gorbachev came into office in 1985 with an apprehensive view of the Soviet economy and society as well as of its internal and external policy; he spoke of the country being in "pre-crisis." Over the next few years in a now familiar litany, he built up a scathing indictment of his predecessors' misrule and of the USSR's "administrative command" system generally. He charged them with bringing on economic stagnation, assorted social pathologies, and ethnic conflict at home and costly setbacks and isolation abroad.

Gorbachev has undertaken to resolve this multi-layered "pre-crisis" with a far-ranging program of change that has both domestic and external components. The hallmarks of domestic Gorbachevism are *demokratizatsiia, glasnost,* and *perestroika.* Among the three, "democratization" has so far produced the least change in Soviet society, glasnost the most. In a remarkably short period, the constraints on free expression in the Soviet Union have been substantially relaxed.

Perestroika, the process of social transformation, has had mixed results. The principal content of "restructuring" is economic, which has had two emphases—industrial modernization and economic reform. The former was initially Gorbachev's main concern, but his gradual recognition that the Soviet system itself stood in the way of achieving that goal impelled him in the direction of more substantial reform. Because the progress of economic reform has been largely stymied by opposition, foot-dragging, and inertia, Gorbachev is now pursuing a set of political changes that would weaken or eliminate anti-reform forces, break the hold of the ministerial bureaucracy on economic progress, and curb the Party's micromanagement of economic activity without sacrificing its strategic control of the economy or its monopoly of political power. However, bloody disturbances in Armenia and Azerbaidzhan and agitation for economic and political autonomy in the Baltic republics have shown that the relaxation of social controls deemed desirable for perestroika is having unintended consequences that could threaten the entire Gorbachev program.

Gorbachev's foreign and security policy changes, said to be the product of "New Thinking," have included concessions to Western arms control positions, steps to terminate Soviet and client military interventions in several Third World countries, conciliatory declaratory overtures to the West, and generally restrained international behavior thus far during his tenure. But the most radical assertions about Soviet readiness to alter established behaviors and security structures—e.g., by restructuring Soviet military forces to render them incapable of large-scale offensive operations—remain to be tested. Many of these promised changes have been deferred to the future, and others have been made contingent on mutual agreement with the West.

The ferment in Soviet policy has evoked a wide spectrum of reaction in the West, ranging from considerable skepticism on the reality and durability of the apparent changes to jubilant acceptance of the changes as evidence of the imminent transformation of the Soviet Union into a democratic state with "normal," peaceful foreign relations. Underlying these contrasting views on the meaning of Soviet developments are multiple uncertainties and divergent assumptions about key variables. The major uncertainties include Gorbachev's ultimate goals, his role in the changing Soviet picture, and his political survival; the character of his foreign and security program; the actual results of domestic and foreign programs; the current goals and relative strengths of various leadership factions; the likelihood of developments (such as major changes in the regime's ability to control national minority agitation) that could substantially affect the political balance; or the effect of momentum and expectations in preventing retrogression and maintaining the course of reform.

These uncertainties point to alternative possible near to mid-term Soviet futures, discussed here in terms of the connection between internal system change and Soviet external behavior. We consider three alternative states of domestic reform:

1. **Limited reform.** Three subcases of effects on system performance and external behavior are examined:

   a. Improved economic performance makes more resources available for external purposes without changing the present system of essentially authoritarian-oligarchical political decisionmaking, thus leading to increased external competitiveness. This scenario is judged unlikely on both political and economic grounds.
   b. Poor economic performance drives an authoritarian regime to external diversions. This strategy seems risky given the inadequate resource base and the likelihood of Western resistance.
   c. Poor economic performance under conditions of growing internal social-political tensions leads to lowered external involvement. This subcase seems less unlikely than the others, but perhaps transitory, because internal forces would tend to push the Soviet Union onto one or the other of the remaining alternative paths of change.
2. **Retreat and reaction** resulting from economic stagnation or internal political-social crises might mean a return to cold war with the West and revived Soviet foreign and military policy assertiveness, but Soviet ability to implement a militant external strategy would presumably continue to be resource-constrained.
3. **Radicalization of reform** leading to accelerated growth and political pluralism might result in a Soviet foreign policy of accommodation with the West. The combination need not mean abandonment of great power ambitions, and it would probably mean enhanced economic wherewithal to pursue such ambitions.

Other combinations of domestic change and external policy consequences can be imagined, including a prolongation of the present situation; but the tensions of the present—unresolved economic, political, and social problems—are likely to threaten the stability of such other scenarios too.

The most important conclusion we draw from this assessment of alternative Soviet futures is that there are grounds for hope for substantial improvement in East-West relations, but the uncertainties besetting this prospect are large enough to warrant reservation and even some skepticism about its likelihood. Perception of economic, technological, and social weakness has been driving the Politburo to domestic and foreign policy change. The initiatives for change could take on a dynamic that may escape central control, leading possibly to internal system and external policy transformation. However, success in meeting the challenges of national weakness could induce the leadership to halt or reverse much of the progress toward a more benign

USSR. That systemic reforms lead to benign attitudinal changes is in part a statement of faith that can be tested only over a period of time that may amount to decades.

We identify four principal alternative Western strategies for dealing with the USSR at this juncture:

1. **Perestroika is irrelevant or dangerous: Impede Soviet modernization.** Proponents of this course maintain that there has been and will be no substantive change in Politburo goals or in its efforts to maintain and expand the Soviet empire. The West should therefore attempt to impede Soviet modernization, which would be used to enhance Soviet strategic capabilities, by denying all economic assistance and straining Moscow's capabilities to match the West's military modernization.

We reject this strategy as counterproductive, making for a more belligerent, less cooperative USSR and precluding any possibility of favorable outcomes for East-West relations that might result from unobstructed Soviet reform. Our allies would unequivocally reject this strategy, and it would be highly controversial in the United States as well.

2. **Perestroika is benign: Help Gorbachev.** Supporters of this strategy are confident that Gorbachev's world outlook is accommodationist and that perestroika, if unobstructed, is likely to lead to internal democratization, thence to the Soviet Union's behaving like a "normal" state. The political survival of Gorbachev and his program are vital to the West, but these are threatened by internal opposition. Therefore, helping Gorbachev should essentially drive Western policy toward the Soviet Union.

We reject this strategy too: (a) It would put too many Western eggs too soon in one basket of uncertain structure and durability; (b) there is no theory of Soviet politics that would permit reliable judgments about how to effect a particular direction of internal political and economic development; (c) to concentrate on advancing Gorbachev's fortunes could prevent us from identifying and pursuing our own interests, which might be opposed to his.

3. **Soviet future uncertain, West's role negligible: Wait and see.** In view of the multiple uncertainties and the demonstrated impotence of the West in affecting Soviet developments, the

only rational policy is to sit on the sidelines, waiting until the dust settles.

We reject this course as well. There are costs to waiting out the game—opportunities for further Western gains as Soviet policy develops and tactical advantages the Soviet Union would derive from U.S. obstruction or indifference to Soviet initiatives, because America's allies are unlikely to be persuaded to follow a do-nothing course.

4. **Uncertainties, true, but Western engagement is inevitable and desirable.** The Soviet future is uncertain, and we can have little confidence in our ability to shape the Soviet course. Unwarranted optimism or pessimism about Soviet developments would both be dangerous for Western interests; agnosticism that translates into passivity and inaction could lead to our missing transitory opportunities for breakthroughs. The U.S. policy problem is not only how to remain open to possibilities for major improvements in U.S.-Soviet relations but also how to limit the costs of adverse developments. We believe that a strategy of step-by-step engagement is the most appropriate instrument for achieving those goals.

Of course, the United States "engaged" the Soviet Union before, and did so on a broad front during the years of detente. But now there are unusually favorable international conditions for pursuing long-standing Western interests on the traditional U.S.-Soviet agenda—controlling and, if possible, reducing the risks and costs of the competition. Unlike the situation in the detente period, global trends have been running against the Soviets in the 1980s, and they know it. Whatever Gorbachev's long-term foreign policy plans or intentions may be, the current circumstances of the Soviet Union constrain the Soviet leadership in ways that make it less inclined, at least for the time being, to fish in troubled waters abroad, and more open to agreements and arrangements to ease competitive pressures.

Where long-standing Western interests in managing East-West relations more safely, reliably, and at lower cost intersect with current Soviet interests in providing a congenial international environment for perestroika, the case for engagement is compelling and unambiguous. But deep structural and institutional change in the Soviet Union and a major reorientation of Soviet foreign policy raise the possibility of our engaging the Soviet Union on a new agenda that might shift the balance in East-West relations from competition toward cooperation.

A substantially demilitarized and increasingly cooperative relationship such as Gorbachev expounded at the UN in December 1988 would signify a paradigm shift in East-West relations. Because movement toward such a shift would entail perhaps irreversible changes in Western security structures and strategies on which we have for so long successfully relied, the case for engaging the Soviets on this new agenda is much more complex. So long as a visibly reforming Soviet Union continues to put forward cooperative options, backed by meaningful concessions and a general policy of self-restraint, the United States should begin to explore the new and wider horizons in East-West relations. This will require a broader conceptual dialogue with the Soviets and a parallel one among the Western allies.

In exploring these new horizons with the Soviets, however, we should proceed carefully and step by step.

- Radical uncertainties about the outcome of Soviet reform will be resolved only gradually, and we can't know how they will be resolved.
- Anticipatory responses to Soviet changes merely promised could trigger a process of structural weakening of the Western security system that might easily outpace actual change on the Eastern side.
- Progress is bound to be uneven. Gorbachev remains a highly competitive adversary who will seek offsetting compensations for any concessions he offers.
- A Western, and especially a U.S., domestic consensus that is sufficiently broad and enduring will need time and confidence-building experience with the USSR to mature.

To prepare for this kind of broad strategic dialogue with the Soviets, U.S. policymakers need to begin thinking through and articulating the kinds of fundamental changes in the Soviet Union that the West would need to see; what we might regard as persuasive evidence that such changes were actually taking place; and what the West might be prepared to offer in return.

Soviet policy changes such as have already occurred may be sufficient for further incremental progress on the traditional agenda; but for a more far-reaching reordering of East-West relations, the changes required go to the heart of the Soviet political and economic system and to its core relationship with Eastern Europe.

**Changes in the domestic political and economic systems.** Democratic states, where leaders are accountable to their electorates and are constitutionally constrained, are limited in the extent of accommodation they can make with the leaders of an enormously powerful state who can command the resources of their society for potentially hostile purposes with no effective constitutional or systemic constraints; with leaders who can change policy course quickly and without warning, and who are under no domestic obligation to debate alternative courses of action. This is why the domestic evolution of the Soviet political-economic system *is* a vital foreign policy matter for the United States and why we would have to see evidence in the actual workings of the political-economic process of institutionalized domestic political constraints on the external behavior of Soviet leaders.

**The Soviet military priority**. The most substantial change that would be required in the military sphere would presuppose radical reform of the Soviet economic and political systems. To be credible and reliable, greater transparency and consistency of Soviet force size, posture, and deployment with stated Soviet policy and doctrine should not occur merely as a concession to the West for foreign policy purposes, but as an integral domestic political function of an accountable Soviet leadership.

**Self-determination of Eastern Europe**. The corollary of change required in the Soviet domestic political system is the evolution of the socialist states of Eastern Europe toward greater self-determination. Western willingness to move toward substantially less reliance on nuclear weapons and stationed forces would depend not only on Soviet force reductions and restructuring but also on fundamental changes in the nature of the USSR's relations with its Warsaw Pact allies, such that their territories and resources would no longer be so readily at the disposal of the Soviet Union.

What could the West offer in return for such far-reaching Soviet changes? Initially, the United States could offer assurance that Washington prefers to deal with the Soviet Union rather than to squeeze it during a period of adversity and difficult domestic change. Moscow would take seriously this kind of assurance from a new administration because of Kremlin concern that some quarters in the West perceive Gorbachev's concessions as signs of weakness calling not for reciprocation but still more pressure.

If and as changes in the Soviet Union deepen and become less readily reversible than they are now, the Soviets could hope for accommodating Western responses across a wide range of issues of long-standing concern to them:

- Reducing the pace and scope of Western military competitive efforts, especially in the high technology areas of Western advantage (linked to progress in eliminating Soviet offensive advantages).
- Western agreement to consider further nuclear reductions, which the Soviets seek (as the conventional balance is made

more acceptable and as Eastern Europe achieves more autonomy).

- Wider acceptance of the Soviet Union as a full-fledged participant in the world community, and
- Progressive liberalization of Western political restrictions on trade, acceptance into international economic organizations, such as the International Monetary Fund (IMF) and the General Agreement on Tariffs and Trade (GATT), and, ultimately, even Western economic development assistance (in parallel with transformation of the Soviet system and its foreign policy).

We have suggested that the new, broad conceptual dialogue with Moscow should proceed in parallel with the ongoing discussion and negotiation of issues on the current U.S.-Soviet agenda. The latter discussion could provide a bridge to the dialogue appropriate for exploring the new limits of the possible that may be emerging in relations with the USSR. The following discussion suggests directions of progress on the four sets of issues making up the current agenda—arms control, regional issues, bilaterals, and human rights—as well as a fifth, East European instability, likely to be important in the near term.

In *arms control*, there is chiefly the unfinished business of START and the launching of the Conventional Stability Talks (CST) negotiations.

A START-like agreement is important on several counts: It would

- keep the existing arms control regime, whose legal basis is now in disarray, from unravelling;
- improve prospects for further reducing first-strike instabilities, thus helping to stabilize a strategic balance that both sides seem to believe is already quite robust;
- strengthen the viability of the strategy of nuclear deterrence by bolstering public confidence in Western leaders' ability to manage nuclear deterrence prudently;
- prevent damage to alliance and domestic U.S. consensus that would result from perceived U.S. responsibility for a breakdown of START negotiations;
- make it easier for NATO to hold the line against further nuclear cuts until the conventional balance is more stable.

The preferred NATO strategy for CST negotiations has been to seek reductions in Pact, especially Soviet, tank and artillery holdings down to levels just slightly below NATO's, thus obviating the need to make more than token reductions on the NATO side and avoiding the issue of substantial reductions in stationed U.S. forces. Gorbachev's unilateral cuts announcement has complicated the West's approach. This makes all the more urgent a high-level NATO dialogue on how to define Western interests in the new circumstances. It is true that a new Western security review—in effect, revisiting the Harmel Doctrine—would risk divisive debate; but without confronting these fundamental issues it will be very hard for the alliance to make politically viable and strategically sensible responses to Soviet proposals. This would leave the initiative in Soviet hands and, in the end, probably invite just the kind of alliance dissension that avoiding the issue tries to duck.

Because instability in *Eastern Europe* poses what is probably the greatest single threat of a major discontinuity in international politics, the status of that region is almost certain to become an increasingly prominent issue in the East-West dialogue. The paradox of persisting East European instability in the face of Soviet reforms whose spread might add fuel to the fire sharpens the dilemmas of Western policy for Eastern Europe: how to promote self-determination for these countries, removing the security threat posed by the USSR's massive military presence there, while avoiding triggering a Soviet military intervention that would disrupt ongoing Soviet as well as regional reforms, divide the Western alliance on how to respond, and threaten the peace of Europe.

The new circumstances call for at least some changed emphasis in traditional Western policies. We should tie prospects of far-reaching change in European security arrangements more closely to Soviet acceptance of greater autonomy for East European states. In the upcoming negotiations on CST and Confidence and Security Building Measures (CSBM), we should try to devise explicit, contractual inhibitions against the cross-border movement of Soviet forces in any East Europe contingency, such as Budapest 1956 or Prague 1968. And on the incentive side, particularly in any East European crisis in which Moscow did *not* intervene, we should be prepared to reciprocate Soviet acceptance of greater East European autonomy by being more forthcoming on such issues of Soviet concern as trade with the West.

In the past few years, there has been accumulating evidence of overlapping U.S. and Soviet interests in making political arrangements in several *regional* conflicts to facilitate the military disengagement of the Soviet Union or its clients (Afghanistan, Angola, and Cambodia). The United States should continue to exploit opportunities to cooperate with the Soviets in facilitating regional settlements that are consistent with U.S. interests. This may entail continued U.S. support for insurgencies against pro-Soviet regimes employing communist military forces from the outside to keep them in power, which has helped bring the Soviets to make more sober cost-benefit calculations in the Third World.

A strategy of step-by-step engagement would call for extending the same political approach and diplomatic style for resolving issues on which there has as yet been little if any progress: Central America (establishing agreed limits on Soviet military aid); Middle East (testing Soviet readiness to move its clients toward settlement of the Arab-Israeli conflict); Persian Gulf (arms export limitations and noninterference in post-Khomeini Iran); Korean peninsula and other future hot spots.

**Bilateral relations.** In economic policy, the United States should try to phase liberalization of trade (relaxing technology transfer controls, repealing the Jackson-Vanik and Stevenson amendments, reopening the Export-Import Bank credit window, admitting the USSR to international economic organizations (IEOs)) with indications of substantial change in the structure of East-West relations and in the nature of Soviet society. But this does not mean trying to repeat previously failed efforts to design explicit quid pro quos (such as Most Favored Nation treatment and U.S. government loans in exchange for higher levels of Jewish emigration), because the values involved are not coordinate and we can't fine-tune the economic quids very well, especially with our allies. In the 1970s the United States sought Soviet performance that would be an exception to the generally repressive practices then prevailing. Now Soviet domestic policy is moving toward liberalization to an unprecedented degree, reinforcing the case for a more generalized linkage of Western trade liberalization to continued positive change in the USSR.

It may now be appropriate for Washington to end U.S. denial of Soviet access to U.S. government loans and guarantees. In this initial phase, the United States should still seek to minimize the transfer of militarily relevant dual-use technology. With our allies, we should emphasize sustainable export controls, recognizing this probably means reducing their number and frequently reviewing lists. With continued positive Soviet change, the West might consider agreeing to greater Soviet involvement in IEOs, under the condition that the Soviet Union has to adapt to the practices and goals of the IEOs—a process we should favor—rather than the other way around—a contingency we shouldn't fear all that much in any case because Soviet economic leverage is so limited.

Placing *human rights* on the agreed official agenda is an important innovation of the new phase in U.S.-Soviet relations, because it provides a legitimized vehicle for direct U.S. access to the evolving Soviet domestic scene, which will be very useful in monitoring and assessing

Soviet change. If Soviet human rights performance continues to improve, it will be as part of a sustained process of internally driven societal change. The West exerts enormous influence primarily by our very existence and the force of our example. We can perhaps nudge the pace of such change by holding the Soviet leaders up to the highest standards of their new-found commitment to human rights. We should welcome evidence they are living up to those standards, condemn departures from them, and highlight remaining obstacles.

Human rights issues play a less immediate role in the imperative security aspect of our relations than in optional aspects, such as trade. But in the long run, the condition of human rights in the Soviet Union will determine the upper limits on progress toward a more cooperative East-West relationship generally, including security relations. Consideration of fundamental alterations in the existing international security system will be warranted only in the advanced stages of gradual systemic change in the Soviet Union itself, in which the overall condition of human rights will be the most sensitive indicator.

# IV. A STRATEGY OF STEP-BY-STEP ENGAGEMENT

## A NEW DIALOGUE WITH THE USSR

For the new phase of U.S.-Soviet relations we are entering, a strategy of what we call step-by-step engagement is more appropriate than trying either to impede or "help" Gorbachev, or just to wait on the sidelines to see what happens after the dust settles in the USSR. Of course, the United States has been "engaging" the Soviet Union actively now for several years, and did so on a broad front during the years of detente. But this new phase of engagement begins under conditions that are strikingly different from those in either the early 1970s or the 1980s.

We start now with unusually favorable international conditions for pursuing long-standing Western interests in relations with the Soviets. This is quite different from the detente period, when American strategy rested on the premise of a shifting correlation of geopolitical forces moving against the United States and the West. In retrospect, this was a more pessimistic view than was objectively warranted, but its broad acceptance in the West gave Moscow some reason to believe that the United States and the West would accept Soviet expansion in peripheral areas in exchange for Soviet restraint at the center.

The phase we have now entered also rests on a widely shared premise about the correlation of forces, but it is the converse of the underlying premise of detente, and the Soviets all but explicitly acknowledge it. The new premise is that in almost all components of the global competition the tide is running against the Soviet Union. It is not the military equation per se that has changed adversely for them but the domestic, systemic foundations of Soviet global political influence and its future military prowess that the Soviet elite now perceive to be in a state of acute disrepair.

For U.S. strategic purposes, this means that whatever Gorbachev's long-term foreign policy plans or intentions may be, and no matter what the ultimate fate of his reform program, current Soviet circumstances constrain the Soviet leadership in ways that make it now less inclined to fish in troubled waters abroad and more open to international agreements and arrangements to ease competitive pressures that are potentially mutually beneficial. Where long-standing Western interests in managing East-West relations more safely, reliably, and at lower cost intersect with current Soviet interests in providing a congenial international environment for perestroika, the case for engagement is compelling and unambiguous.

Moreover, the course of U.S.-Soviet and East-West relations during a possibly prolonged time of Soviet international self-restraint, even if its leaders should now regard such self-restraint as "temporary" or "tactical," could shape the international environment over the next decade in ways that Soviet leaders might not wish or could ill afford to disrupt. In the long term, an international environment that continued to be inhospitable to Soviet self-aggrandizement but was congenial to Moscow's self-restraint and cooperation could condition not only its international behavior, but also the formulation of its foreign policy goals.

In fact, Gorbachev has been telling us, his foreign policy goals are now radically different from those of his predecessors. He holds out a vision of a greatly demilitarized East-West relationship in which the balance between competition and cooperation will have swung sharply toward the cooperative pole in an increasingly interdependent world. With such proclaimed goals, the agenda of East-West discussions would go far beyond the traditional issues of conflict management. The arms control issues would not be merely reductions to several thousands of strategic nuclear weapons on each side but radical denuclearization, not merely parity of conventional power in Europe but radical restructuring of forces to strip them of the capability to conduct large-scale offensive operations. At the same time, Gorbachev's campaign for internal reform holds out the possibility of such structural change as would transform the domestic foundations of Soviet external behavior.

Even without the fulfillment of these grandiose foreign policy promises, there is room for substantial improvement in East-West relations within the framework of existing Western security structures, alliance relationships, and strategies. Expectation of such progress presupposes that Soviet foreign policy continues, in the short to mid-term, more or less on present vectors, for the same reasons that have propelled it in those directions since 1985; it does not require the kinds of fundamental systemic changes in the Soviet Union that a wholesale reordering of the global system, along the lines projected in Gorbachev's December 7 UN speech, would demand. By contrast, moving to the much higher levels of cooperation envisioned in the rhetoric of that speech implies a genuine paradigm shift in East-West relations. This would entail significant changes in the framework of international and alliance arrangements that has evolved since World War II, including far-reaching changes in Western security structures and strategies. To engage the Soviet Union politically and diplomatically on this level is therefore a much more complex matter and far more challenging than pursuing the traditional East-West agenda. Gorbachev's call to transcend the tried and true paths of East-West relations has aroused deep ambivalence in the West and, in some quarters, even outright resistance.

Nevertheless, in addition to pursuing long-standing Western interests in a more propitious environment, we believe the West should begin to explore the new and wider horizons opened up by the possibility of far-reaching changes in the external aspirations and internal structure of the Soviet Union. The West should seek to determine what Gorbachev's millennial visions may mean, into what they may be concretely translatable, by a broad conceptual dialogue with the Soviet leadership. The most important justification for such a venture lies in the implications for East-West relations of the possible deeper changes in basic Soviet economic and political structures and institutions, changes that go beyond the important, but still readily reversible, shifts in policy that have fueled the recent improvement in U.S.-Soviet relations.

At issue here is exploration of the logical conclusions of successful containment, the underlying strategic concept guiding our relations with the Soviet Union over the past four decades. Our strategy of containment was designed to create a system of alliances that would block Soviet expansionism and compel Soviet leaders to live with the internal contradictions of their own system. Eventually, in some distant future, it was hoped that successful containment might lead to the gradual "mellowing" of Soviet power and to a Soviet Union with which a more civilized balance of competition and cooperation would be possible.

Until recently, the prospect of such a changed Soviet Union seemed so remote that we took little trouble to consider its policy implications. That prospect remains highly uncertain, but it is no longer merely a theoretical possibility. Few in the West, and especially few in the United States, challenge the contention that containment and its military corollary, deterrence, will continue to be indispensable elements of Western strategy for dealing with the USSR in the present more dynamic phase of East-West relations. But now the possibility of systemic change in the Soviet Union is no longer purely theoretical; it is sufficiently plausible to justify serious consideration of an important shift in the overall balance of competition and cooperation in the relationship, to move it more heavily toward the latter, perhaps even to breakthroughs in relations with the USSR.

While proceeding cautiously and building incrementally on successes in regularizing and stabilizing East-West relations, we should not reject the opportunities for major discontinuous gains for the West that might inhere in the grand future vision that Gorbachev is holding out. Clearly, the Soviets will have to see gain in it for themselves as well, and our strategy for this period in the relationship must not resist new departures that are in our interest just because they also benefit the Soviet Union. Pursuing bolder and more ambitious goals may now be in our interest or become so in the near future, and we should raise our sights in exploring new possibilities with the Soviet Union. The West should test Gorbachev's conversion to the "New Thinking" with new thinking of our own that is not so tightly constrained by old notions of what the Soviet Union can be brought to accept. This calls for a deeper dialogue with the Soviet Union (as well as a parallel dialogue within the West, as we indicate below).

This is the first Soviet leadership with which such a dialogue has any chance of being fruitful. At the level of Gorbachev, Yakovlev, and Shevardnadze, this is the first leadership that is not so ideologically blinkered as to make such a dialogue futile. Although the outcome of their reforming efforts is still highly uncertain, the direction of the internal and external changes to which these leaders have committed themselves is more congenial to Western interests and more consonant with Western values than anything we have seen before from the Soviet Union.

In any case, the West may have little choice but to begin this broader dialogue with Moscow. Western governments are already under some pressure to take up Soviet offers for a sharp turn away from competition and toward greater cooperation. So long as the Soviet Union continues to put forward cooperative options and to back them up by periodic, meaningful concessions and a general policy of self-restraint, and so long as the USSR appears to be continuing the process of internal reform in the direction of economic decentralization and political democratization, Western publics will demand that their governments explore the new possibilities. Resisting on the grounds that Gorbachev's "sincerity" remains suspect, or that his political survival is in question, or on any other grounds except Soviet backsliding will seem increasingly like an evasion of responsibility. It will be viewed as a pretext for avoiding the intra-Western risks of pursuing what are widely regarded as the increasingly plausible as well as promising changes in East-West relations.

It is appropriate now for the West to conduct a dual-level dialogue with the Soviets—a broad conceptual set of discussions about the possibilities of and the requirements for major changes in the East-West competition, proceeding in parallel with the ongoing interchange that seeks greater stability and reduced risks and costs within the established framework. There are grounds for believing that such a dialogue would benefit both East-West and West-West relations:

- It could help deal with understandable Western anxieties about "runaway peace," "preemptive dismantling," etc. by providing conceptual grounds for distinctions between (1) within-system improvements that are possible on the strength of the USSR's current predicament, the policy changes it has already made, and the thrust of its still not realized reforms; and (2) the necessary assurance of irreversibility to justify movement toward a transformation of the East-West relationship.
- It would help the West to fashion a strategy for the new circumstances that combines the essentials of containment and deterrence with pursuit of opportunities for moderating the adversarial character of East-West relations during what could be the early phase of Soviet evolution toward structures and behavior more compatible with Western interests.
- It would provide the West with a conceptual basis for calibrating the process of change in the Soviet Union to Western requirements for appropriate guarantees against Soviet backsliding, reversals, or deception. The feedback we might get from such a dialogue could help our policymakers to elaborate criteria for measuring and assessing progress or retreat in the Soviet Union's evolution toward more compatible domestic structures and international postures.
- It could be used as a vehicle for encouraging the Soviets to take unilateral steps that address Western concerns, in cases where negotiated agreement may not be appropriate, or for which conditions may not be ripe. The United States could encourage these unilateral Soviet steps by signalling that they would be assessed positively, and not downgraded or dismissed, without hint of reciprocation, in the normal pattern of superpower responses to the other side's unilateral steps.
- Finally, the conceptual dialogue suggested here could help U.S. policymakers, in concert with the allies, to shape and elaborate a detailed specific agenda for negotiations, and as conditions warrant, to advance particular issues from the broad, long-term agenda to the immediate concrete one.

The modalities of such a dual-level dialogue will depend on the styles, proclivities, and staff capabilities of the U.S. and Soviet leaders. In any case, it would be an iterative process with continuous monitoring of progress and with appropriate corrections and reinforcement.

The risks of prematurely relaxing constraints on Soviet aggressive options and thereby structurally crippling the Western security system require that the dialogue with the Soviets be accompanied and supported by a far-reaching dialogue within the West. For these and other reasons, the West's engagement with the new Soviet policy must also proceed cautiously and incrementally.

## WHY STEP BY STEP?

Gorbachev's foreign and security policy initiatives, as well as the unusually favorable international environment, argue compellingly for engagement; but the large uncertainties and high stakes involved argue with equal force for engaging cautiously and proceeding step by step. To proceed cautiously and incrementally does not mean to abandon the initiative to Moscow, and it requires a well-developed and well-publicized rationale. At present, Western leaders are increasingly on the defensive—reactive, welcoming, but not reciprocating or initiating—and giving no politically persuasive rationale for their caution and conservatism. There are indeed good reasons to be cautious, but U.S. and other Western leaders have not articulated them:

1. The enormous uncertainties about the changes in the Soviet Union, upon which so much in the future of East-West relations depends, will only gradually be resolved; and there is at least a fair chance these uncertainties will in the end be resolved adversely from our point of view. As indicated earlier, premature Western commitment could be costly.

2. There are serious risks of our mistaking promise for accomplishment and of responding prematurely and irreversibly to possibilities that may never materialize, or only with long delay. In this respect, glasnost and demokratizatsiia notwithstanding, the asymmetries between East and West are real and could be politically decisive. Anticipatory responses to Soviet promises, or to partial accomplishments that were still not institutionalized, could trigger a process of progressive military builddown in the West and structural weakening of the alliance. That deterioration might easily outpace actual change on the Eastern side; and in Western societal and alliance conditions, it would be well-nigh irreversible absent the most egregious kinds of Soviet provocations, which Moscow would have no reasonable incentive to offer. Alliance cohesion is crucial for successful Western engagement with the Soviet Union. Allied unity has met the test of Soviet pressure, but it may be more difficult to maintain in conditions of sudden decompression.

3. A West whose capabilities and political will were weakened by anticipatory responses to Soviet change would be unable to compete effectively and maintain the international conditions that helped induce the Soviets to make the new kinds of promising cost/benefit calculations we have seen recently. A change in the external environment that made renewed Soviet assertiveness more promising could well play into the hands of Moscow conservatives already chafing at what they may regard as Gorbachev's foreign policy retreats.

4. In making a series of policy changes—in START, INF, Afghanistan, conventional arms reductions—that the West has rightly regarded as concessions to its long-standing positions, Gorbachev has succeeded in making a glistening virtue of hard necessity. But he has not yet converted the "evil empire" into a philanthropic organization. Even in his currently constrained circumstances, Gorbachev remains a highly competitive adversary who will seek offsetting compensations for any concessions he offers. Progress toward an improved relationship with the Soviet Union that accords with Western goals and interests will inevitably be halting and uneven.

5. In the absence of a robust domestic consensus, no U.S. policy toward the Soviet Union can be effective or survive the snags and setbacks that are certain to occur. Given the deep ambivalence about the Soviet Union in American public opinion, a consensus that is sufficiently broad and enduring will need time and confidence-building experience with the USSR to mature.

For these reasons, we should follow an approach that builds progressively on successes. Initially, we should minimize the extent to which we rely on trust and on the sincerity of the Soviet conversion to "New Thinking" in reaching new agreements or making new arrangements with the Soviets. We should resist the kinds of "one fell swoop" solutions that Gorbachev from time to time proposes, such as his calls for radical denuclearization and demilitarization of Europe. Because Gorbachev has more credibility in the West than his predecessors who made similarly grandiose proposals, it may not always be sufficient now merely to reject "grand" Soviet proposals flatly. We should be responding with Western alternatives that restructure, refocus, and reorient those Soviet proposals so that they seriously address our real concerns. And we should use new departures of our own to test Soviet willingness to cooperate for mutual benefit by pushing the limits of their flexibility.

A word of caution is in order here. We should be careful not to be too clever by half in designing proposals and positions to seize the political initiative or throw the Soviets off balance. The fate of the "zero/zero" INF arms control option shows that, in dealing with

Gorbachev, we can no longer afford the luxury of making tactically attractive proposals whose implications we have not taken the trouble to think through, on the assumption the Soviet Union is certain to reject them.

Finally, we should identify areas of actual or potential mutual concern not yet explored jointly that could usefully be placed on the U.S.-Soviet agenda. Gorbachev has already broached the question of international cooperation to cope with the problems of global ecology. In the same vein, we might propose building on the Armenian earthquake experience to involve the United States and the USSR in multilateral disaster relief planning and organization. The West has been urging the Soviet Union for many years to cooperate in combating international terrorism. Agreement may be more likely now in the light of Gorbachev's UN speech and the shift in Soviet practice suggested by Soviet-Israeli cooperation in a recent Soviet hijacking case.

## WHAT FUNDAMENTAL SOVIET CHANGES ARE REQUIRED?

To prepare for this kind of broad strategic dialogue with the Soviets, U.S. policymakers need to think through and articulate the kinds of fundamental changes that the West would need to see before moving to higher levels of mutual accommodation and cooperation with the Soviet Union. Western policymakers must consider what they might regard as persuasive evidence that such changes were actually taking place and to think about what the West might be prepared to offer in return. On the traditional agenda of East-West relations, Soviet policy changes, such as have already occurred, may be sufficient for incremental progress to be made. But for a more far-reaching reordering of East-West relations, the changes required go to the heart of the Soviet political and economic system and to its core relationship with Eastern Europe.

### Changes in the Soviet Domestic Political and Economic Systems

For leaders of democratic states, accountable to their electorates, and operating in a constitutional system of checks and balances, there are limits to the extent of accommodation with the leaders of an enormously powerful state who can command their resources for any purposes with no effective constitutional or systemic constraints, who can change policy course quickly and without warning, and who need not debate alternative courses of action. This is why the evolution of the Soviet political system *is* a vital foreign policy concern for the United States. A substantially transformed East-West relationship almost certainly requires an institutionalized regime of effective domestic constraints on the international behavior of Soviet leaders.

What would be indicators for us that the Soviet Union was in fact moving toward the internal changes the West requires for confidence that a far-reaching accommodation with the USSR is desirable and possible? Reforms that effectively decentralized Soviet economic decisionmaking, replacing producer with consumer sovereignty, would signify to the West that basic changes had occurred in the Soviet economic system that could make the USSR a more appropriate potential international partner. Among the specific measures we would expect to see would be meaningful price reform, real competition in production and distribution, sharp limitation of central planning, and the elimination of the state monopoly of foreign trade.

Glasnost has clearly stimulated a great deal of critical self-examination of Soviet society and history, including, to a lesser extent, criticism of past Soviet international behavior. The Soviet past has become appreciably more transparent, but the present decisionmaking process on foreign policy and military issues of greatest concern to the West remains as much a "black box" as it was in the past. Moreover, the limits of glasnost and the process itself continue to be controlled from above, with no effective constitutional guarantees of continuity. So long as glasnost is not institutionalized, it will remain tenuous, requiring for its preservation individual risk-taking and periodic acts of civic courage. The "Andreeva affair" in the spring of 1988, when glasnost was choked off for more than a month by fear that the "party line" on reform might be changing, suggests that the practitioners of glasnost may not always be ready or willing to rise to the occasion. The adoption of appropriately drafted constitutional amendments in themselves would tell us little; we would be looking for evidence of effective implementation in the actual workings of the political process, including open debate of alternatives and leadership accommodation to opposing views.

There are, of course, no constitutional guarantees against aggressive foreign policies. The "popular will" is not always benign toward foreign nations. Political pluralism and economic efficiency might combine to nurture great power ambitions. But in a pluralistic political system with a regime of institutionalized constraints on decisionmaking, state leaders have limited capacity to allocate shares of GNP that are blatantly disproportionate to declared goals for military and foreign policy ends, to reverse policy directions covertly, and to violate or circumvent international agreements. The confidence of other states will thus be correspondingly greater. Leaders who are accountable to electorates must publicly justify the policies they wish to pursue; although publics can often be persuaded to endorse dangerous foreign policies, the requirement that they must be persuaded gives other states early warning that would otherwise not be available.

## The Soviet Military Priority

The most substantial change required in the military sphere presupposes radical reform of the Soviet economic and political systems: termination of the heretofore unchallenged priority enjoyed by the military in claims on Soviet human and material resources and a far-reaching reduction in the weight of the military establishment generally.

Much greater transparency and freer flow of information about Soviet military expenditures, military development plans, and data on forces and force deployments would also be required. Apart from measures taken in connection with the INF Treaty—which represent an important change in the Soviet position on verification but have been applied only in a limited sphere of activity— glasnost has thus far not opened defense decisionmaking up to searching public (and therefore foreign) scrutiny. Indicators of progress along these lines would include, for example, reporting of the Soviet military budget in the detailed United Nations format, publication of annual and five-year military development plans, and disclosure of data in detail comparable to that in the West on the composition and deployment of Soviet military forces.

In such a transformed domestic environment for military decisionmaking we would expect to see the size, character, and deployment of Soviet military forces brought more clearly into line with the strictly defensive purposes attributed to them by the regime. Many of these changes could and should be accomplished unilaterally in the interests of the Soviet Union's domestic reform program, as well as of its larger foreign policy purposes; Gorbachev's December 7 announcement of unilateral Soviet force reductions is a welcome step in this direction. But the most far-reaching changes in this connection would clearly require negotiated agreements, and the further the dialogue moved in the direction of denuclearization and demilitarization, the more confidence the West would require in the effectiveness and irreversibility of systemic changes in the Soviet Union.

### Self-determination in Eastern Europe

Far-reaching arms control agreements that would fundamentally alter the East-West security regime in Europe will inevitably run up against limitations imposed by the satellite status of Eastern Europe. Western willingness to move toward a security regime in which there was sharply reduced reliance on nuclear weapons for deterrence and in which stationed forces (including American troops) were substantially reduced would depend not only on appropriate Soviet force reductions and restructuring, but also on fundamental changes in the nature of the USSR's relations with its Warsaw Pact allies.

The corollary of change required in the Soviet domestic political system is the evolution of the socialist states of Eastern Europe toward greater self-determination. From the perspective of Western security, the basic requirement is the end of Soviet hegemonial control over Eastern Europe, such that its territories and resources are no longer so freely at the disposal of the Soviet Union for potential hostilities against the West. This need not require the dissolution of the Warsaw Treaty Organization—for which the dissolution of NATO would surely be the price—but it does presuppose an evolution of Soviet political relations with increasingly autonomous allies that would substantially reduce decisionmaking asymmetries in the two alliance systems.

## WHAT CAN THE WEST OFFER IN RETURN?

These would be very profound changes indeed, and if the Soviet Union moved very far in these directions, its leaders would not do so merely to impress the West for public relations purposes. Most of these changes, especially in the domestic political and economic system and in Eastern Europe but also, up to a point, in military and foreign policy, would have to be driven by irresistible internal needs and priorities, if they were to occur at all. Although Gorbachev has skillfully exploited Western sympathy for his internal reform program to advance his foreign policy interests, he is not seeking to reform the Soviet Union as an exercise in foreign policy, or as a favor to the West. However, the Soviet leadership's expectations about the Western response, especially about Western propensities to exploit or reciprocate Soviet change, could greatly affect the pace and scope and, in some instances, even the direction of their own moves.

Initially, the West, and particularly the United States, could offer assurances that its leaders have no interest in undercutting perestroika, or to back the Soviet Union to the wall during a period of adversity and difficult domestic change; in short, that they prefer to deal with the Soviet Union rather than to squeeze it. Coming from a new U.S. administration, this kind of assurance would be taken seriously in Moscow. There is evidence that some at least in Moscow are concerned that the Soviet Union is being perceived abroad as weak and vulnerable to pressure; and there may be resistance to new Soviet steps that we might regard with favor on the grounds that the West might interpret them as signs of weakness and exploit them.

Further down the line, if and as changes in the Soviet Union deepen and become less readily reversible than they are now, the Soviets could hope for accommodating Western responses across a wide range of issues of long-standing concern to them:

- They could hope that we would link the pace and scope of our military competitive efforts, especially in the high technology areas of Western advantage, to progress in eliminating what the West regards as Soviet offensive advantages.
- Similarly, they could expect that the West would become more amenable to further nuclear reductions, which they seek, as the conventional balance became more acceptable to us and as Eastern Europe achieved more autonomy.
- Politically, they could look forward to wider acceptance of the Soviet Union as a full-fledged participant in the world community, in all of its dimensions. A current example of what the Soviets would be looking for is their proposal to hold an international conference on human rights in Moscow, to which the United States has now conditionally agreed. For the Soviets, Western agreement to attend such a conference in Moscow signals the lifting of the stigma of anti-human rights that has so long been attached to the USSR. For the Western democracies, such decisions are typical of the kinds that will have to be made in the coming months and years in response to the Soviet reform process, if it is sustained.
- In economics, a Soviet Union that had changed in the ways indicated, including radical decentralization of its economic decisionmaking, could expect progressive liberalization of Western political restrictions on trade, acceptance into such international economic organizations as the General Agreement on Tariffs and Trade (GATT) and the International Monetary Fund (IMF), and, ultimately, even some forms of Western economic development assistance.

## BUILDING ON THE OLD AGENDA

We have suggested that the new, broad conceptual dialogue with Moscow should proceed in parallel with the ongoing discussion and negotiation of issues on the current U.S.-Soviet agenda. The new Bush administration will hardly be starting from scratch in developing an approach to the Soviet Union. Both sides agreed to a practical, four-part agenda several years ago, and it has provided the organizational basis for the most recent summits and for the extensive ministerial meetings between Secretary Shultz and Foreign Minister Shevardnadze. That agenda includes arms control, regional conflict, bilateral relations, and human rights. Further discussion of the large range of issues developed under these four headings, as well as on a fifth, Eastern Europe, with high destabilizing potential, will provide a bridge from the established practical agenda to the broader dialogue appropriate for exploring the new limits of the possible that may be emerging in relations with the USSR.

### Arms Control and the Military Competition

Security issues have always been central to U.S.-Soviet relations, and regulation of the military competition will almost certainly continue to be the primary area of U.S.-Soviet political engagement in the emerging phase of their relations. In arms control, there is chiefly the unfinished business of START and the launching of the conventional arms stability talks (CST).

To maintain a suitable international environment for exploring what a strategy of step-by-step engagement is capable of producing, it will be important for a new administration to try to keep the nuclear arms control regime from unravelling. The legal basis of that regime—consisting of lapsed, unratified, and contentious treaties of the 1970s—is now in great disarray. It is primarily the prospect of a new START agreement that keeps the tenuous arms control regime reasonably stable.

A START agreement more or less along present lines would preserve and, from the Western vantage point, marginally improve the U.S.-Soviet strategic balance that provides the nuclear underpinning for extended deterrence. Although it surely would be preferable for the United States to resolve all outstanding strategic force modernization issues before concluding a START agreement, achieving a consensus on modernization has proven politically elusive, largely because of uncertainties about arms control. So long as a new agreement left sufficient headroom for the United States to move in the major alternative strategic modernization directions being considered, completing the agreement could help produce precisely the domestic consensus required for decisions on modernization to be taken.

Strategically, a START-like agreement would do more to enhance than to weaken the viability of the strategy of nuclear deterrence that remains the linchpin of Western security. Although there is theoretically a tension between very deep cuts and the credibility of deterrence as a function of adequate coverage of the adversary's target base, the reductions likely to come out of START—actually more like 25 to 30 percent than 50 percent—are still well below that threshold. By concentrating cuts in the most threatening Soviet capabilities—heavy ICBMs and throwweight—START would improve prospects for further reducing residual first-strike instabilities, thereby helping to stabilize and maintain a strategic nuclear balance that both sides appear to believe is already quite robust.

The political benefits of a START-like agreement would be more substantial than the strategic ones; and, at this point, the political costs of turning back from START would be still greater. It is extremely unlikely that the Soviet Union will offer a new administration a plausible pretext for backing away from a START agreement along the lines of the current negotiations. A breakdown in START that was perceived to be U.S.-abetted would almost certainly damage alliance cohesion and seriously jeopardize the prospects for developing a U.S. consensus on strategic policy and on relations with the Soviet Union early in a new administration.

Finally, by serving as a kind of nuclear arms control placeholder, a new START agreement could provide a more favorable environment for progress in negotiations on conventional arms reductions, where there is greater potential for substantially improving the West's security position. Completing START should make it easier for NATO to adopt and stick to the position that there must be no further nuclear cuts until the conventional balance is made more stable. START would make such a position more credible in the West and more difficult for the Soviets to erode.

Before Gorbachev's December 7, 1988, UN speech, it was generally expected that the CST negotiations would be a very long drawn-out affair, with little prospect of substantial reductions early on. Therefore there would be no urgent pressure on NATO to develop proposals involving any substantial cuts on the Western side, so as to make required heavy Soviet reductions more negotiable. In some Western quarters, there was deep skepticism about the readiness of the Soviets to "negotiate away" their large conventional advantages in any case. These considerations may have prompted the Soviet decision to announce sizable unilateral reductions before the start of the CST negotiations. Evidently Moscow did not wish to defer indefinitely the savings to be realized from trimming some excess manpower and equipment from the swollen Soviet conventional force structure. No doubt with political effects on the West very much in mind, the Soviets were willing to include in the unilateral reductions cuts in Soviet tank forces in Eastern Europe and the western military districts of the USSR sufficiently large that they could not reasonably be dismissed as cosmetic.

This development has complicated the preferred Western strategy, which is to seek reductions in Pact, especially Soviet, tank and artillery holdings down to levels just slightly below NATO's, thus obviating the need to make more than token reductions on the NATO side and avoiding the issue of substantial reductions in stationed U.S. forces. It has also dealt a blow to chances that NATO governments will go ahead with the modernization and deployment in Europe of an extended-range Lance surface-to-surface missile. At a minimum, it has assured that any effort to go forward now with Lance modernization will again bring up the NATO debate on extended deterrence and the relationship between the conventional balance and reliance on nuclear weapons in NATO strategy.

Gorbachev has imparted political momentum to negotiations that before December 7 seemed fated to endure a prolonged phase of inconclusive maneuver. His announcement of substantial unilateral reductions has won a higher degree of credibility for his previously expressed willingness to accept deep and asymmetrical cuts in Soviet ground forces and to restructure remaining ones so as to weaken their capability for large-scale offensive operations.

The change in the political atmosphere surrounding the opening of the CST negotiations makes even more urgent a high-level NATO dialogue on how to define Western interests in the new circumstances. Failure to do so would impede the West's ability to develop politically viable and strategically sensible responses to Soviet proposals. It would leave the initiative in Soviet hands and, in the end, probably invite precisely the kind of alliance dissension that avoiding the issue tries to skirt.

The new administration should consider early on whether it wishes to call for a new, concerted look at alliance security interests and objectives in the altered circumstances of the late 1980s. Changes now occurring in the USSR, and especially the potential for even more far-reaching change in the future, indicate the need for such a review. The Western dialogue with the Soviet leaders on alliance issues—conventional arms control being the quintessential alliance security issue—requires alliance consensus.

A decision to initiate a systematic broad security review, in effect to review the Harmel Doctrine adopted in the late 1960s, carries real political risks of divisive allied debate; but the risks of avoiding review may be greater. The alliance and its individual members need broad, agreed-upon alliance guidelines to anchor and defend their own force development policies. They need an authoritative rationale for rejecting superficially attractive Soviet proposals on conventional arms reductions that do not satisfy Western concerns, to defend what may otherwise seem to many in the West as "inequitable" asymmetrical proposals favoring the West. And they need such a display of cohesion about basics to disabuse the Soviets of any idea that they can have the relief they seek in the military competition without giving up major advantages they now enjoy.

## Eastern Europe

Although Moscow is unlikely to permit the status of Eastern Europe and Soviet relations with its allies to become an explicit item on the U.S.-Soviet agenda, that issue is almost certain to become increasingly prominent in the East-West dialogue generally.

For many years it has been widely believed that the most likely path to an otherwise unlikely East-West crisis in the heart of Europe runs through Eastern Europe. Today, Eastern ~~Europe~~'s persisting structural instability poses the greatest single threat of a major discontinuity in international politics. A political explosion in Eastern Europe could derail the movement toward reform in the USSR, and a Soviet military intervention to deal with it would surely cut short the warming trend in East-West relations. At the same time, for the West, the most fundamental test of the Soviet Union's adherence to genuinely "New Thinking" is precisely Moscow's willingness to tolerate the evolution of more autonomous states in Eastern Europe, such that the region would no longer present itself as a Soviet salient thrust into the heart of Europe.

The present search by a reformist Soviet leadership for a more "organic" relationship with the socialist states of Eastern Europe is not without precedent, and the precedent is not encouraging. The last far-reaching Soviet reform effort was the de-Stalinization of 1955–56. Nikita Khrushchev's anti-Stalin "secret speech" in February 1956 clearly helped to spark the near rebellion of Poland and the violent revolution in Hungary in the fall of 1956; it may have contributed to the mistaken perception in Eastern Europe at the time that Moscow's threshold for tolerating diversity there was now much higher than under Stalin. The massive Soviet military intervention in Hungary demonstrated to East and West Europeans alike the undiminished commitment of even a reformist Soviet leadership to maintaining Soviet hegemony in Eastern Europe, by brute force if necessary.

What is different in the Gorbachev era? Just as before, the USSR continues to be the ultimate "enforcer," limiting change in Eastern Europe. But now, an avowedly reformist Soviet leadership is also the most important agent for change acting on the region from the outside. The countries of Eastern Europe confront bleak economic prospects, demoralization, and generational leadership change, all of which combine to present grave threats to stability. The elites of Eastern Europe are increasingly aware that their countries are falling steadily behind both the West and the newly industrialized countries of the world; there is a widespread sense of desperation because solutions within the framework of the present systems seem so unpromising. Poland is, of course, the extreme case, but structurally the dilemmas confronting the other socialist countries are the same.

Against this background, a reforming Soviet Union is proselytizing its fraternal East European comrades, carefully to be sure, to embark on Gorbachev-style reforms. At the same time, at least verbally, Moscow is displaying a growing reluctance to contemplate forcible intervention. Soviet forces in East Germany, Czechoslovakia, and Hungary are to be reduced over the next two years, with the prospect of further cuts under the provisions of a CST agreement.

This new Soviet posture presents a deeply contradictory set of prospects. The example of Soviet reform may spur and accelerate change in Eastern Europe. Soviet force reductions and perceptions of Soviet reluctance to enforce limits may encourage Eastern European elites seeking greater autonomy, or new political forces seeking to alter the system, to aggressively test what the traffic will bear. Gorbachev's zeal for reforming socialism and his preaching of "New Thinking" in international relations could combine to increase the chances of destabilization and, in the end, of Soviet intervention, in Eastern Europe.

For the West, this paradoxical situation sharpens the long-standing dilemmas of policy toward Eastern Europe: how to promote the political independence and self-determination of the countries of Eastern Europe, diminishing the security threat to the West from the USSR's massive military presence in Eastern Europe, without triggering a Soviet military intervention. Such an intervention would victimize the people of Eastern Europe, disrupt any ongoing reforms in both Eastern Europe and the Soviet Union, probably divide the alliance on how to respond, and, possibly, threaten the peace of Europe.

In these altered circumstances, some changes at least in emphasis are in order in the traditional Western policies that have evolved to deal with this continuing dilemma. The West should tie the prospects for far-reaching change in European security arrangements more closely to basic change in the political configuration of Eastern Europe—namely, to Soviet acceptance of greater autonomy for those states. The alliance as a group should be clear and make clear to the Soviets that a reordering of the European security system, such as would be entailed by Gorbachev's vision of a "common European home," would be possible only if it were the culmination of a larger political process that ended hegemonial Soviet control in Eastern Europe.

This linkage would help the West to deal politically with Soviet proposals to denuclearize and demilitarize Europe that ignore the underlying geopolitical basis for Western security concerns. It should also be reflected in the positions put forward by the Western side in the upcoming CST and Confidence and Security-Building Measures (CSBM) negotiations. The West should seek to add explicit contractual arms control inhibitions to the political costs the Soviet Union could expect to incur in the event of another cross-border military intervention in an East European crisis.

The willingness of the Soviet Union under Gorbachev to tolerate greater diversity and even internal crisis in Eastern Europe may very well be put to the test during the term of the new U.S. administration. Particularly in the event of an East European crisis in which Moscow did not intervene, we should be prepared to reciprocate Soviet acceptance of greater East European autonomy by being more forthcoming on some issues of Soviet concern. Liberalization of Western economic policy toward the Soviet Union in response to clear manifestations of such Soviet self-restraint could be an important form of such reciprocation.

## Regional Conflicts in the Third World

Together with the continuing buildup of Soviet military power in the post-SALT I years, growing Soviet involvement in Third World regional conflicts, both by proxy and with the direct use of Soviet forces, was at the root of the tension and acrimony that characterized East-West and especially U.S.-Soviet relations from the late 1970s through the mid-1980s. By contrast, since then, and especially in the past year or two, there has been accumulating evidence of overlapping U.S. and Soviet interests in facilitating the military disengagement of the Soviet Union or its clients from several regional conflicts, thus removing a major source of continuing irritation in Soviet relations with the United States, China, and other countries supporting anti-Soviet resistance movements in the Third World.

As noted earlier, a Soviet retrenchment process is clearly in evidence, much more selectivity with respect to making new commitments, and a process of cutting losses, most dramatically so in Afghanistan. If fully implemented, the Soviet decision to withdraw its military forces from Afghanistan may turn out to have been a watershed event. Ensuring the completion of the Soviet withdrawal will almost certainly be the first priority issue on the U.S.-Soviet regional conflicts agenda under the new administration. In Angola the Soviets have cooperated in facilitating an agreement, under U.S. auspices, among Angola, Cuba, and South Africa that is consistent with objectives the United States has sought for many years. And in Cambodia, both superpowers have been using their influence with the contending parties to secure withdrawal of Vietnamese military forces.

These are important developments for which there are many reasons: Some may turn out to be transitory, some more fundamental. U.S. assistance to insurgencies resisting Soviet-supported Marxist regimes has surely been an element; so has a Soviet reassessment of the damage that these excursions have done to broader Soviet interests with the United States and others; but so, too, has been a Soviet recalculation of the elusive nature of benefits to be gained from supporting inherently weak, unpopular, poor, and unreliable clients.

The United States should continue in the next administration to exploit opportunities to cooperate with the Soviets in facilitating regional settlements consistent with U.S. interests that local conditions make ripe and to test Soviet intentions in still other areas of contention where the United States and Soviet Union have some influence they can bring to bear. This means not only being prepared to engage the Soviets diplomatically where appropriate, but also to help perpetuate the conditions that have helped bring the Soviets to make new cost-benefit calculations in the Third World: continued U.S. support, as long as needed, for insurgencies against pro-Soviet regimes that employ external Communist military forces to keep them in power. To be effective, this U.S. support must be politically sustainable, especially at home, and be so perceived both in the region and in Moscow. Where the role of external Communist forces has been clear and where the deep indigenous roots of resistance have been evident, as in Afghanistan, congressional and public support for U.S. military aid to the resistance has been strong and U.S. staying power unquestioned. Where these conditions have not obtained, or when there has been great domestic controversy about them, as in Nicaragua, congressional and public support has been inadequate to sustain effective U.S. policy.

In Angola and perhaps also in Cambodia, the long and what seemed to many inconclusive U.S.-Soviet dialogue on regional settlements has finally begun to bear fruit. The sides have shown considerable flexibility and ingenuity in the variety of modalities they have devised for participating in the settlement processes in those countries, as they did in Afghanistan. The outcome still depends largely on the behavior of actors over whom neither the United States nor the Soviet Union have decisive influence. The political approach and diplomatic style, however, seem appropriate; and a strategy of step-by-step engagement would call for more of the same.

In other regions, there has as yet been little progress. Chances for reducing Soviet involvement in Nicaragua probably depend on the prospects for a regional settlement in which the Soviet Union is not and should not be a direct participant. But any plausible regional Central American settlement would include a ban on the creation of a Soviet base in Nicaragua or a Soviet military presence in that country. In the context of a regional settlement in Central America, the United States should seek to secure a Soviet undertaking to observe agreed limits on military aid to Central American countries.

In the Middle East, some issues are riper for parallel or joint U.S.-Soviet diplomatic moves than others. Both the United States and the USSR have been moving off traditional positions with regard to the Arab-Israeli conflict. The opening of a U.S.-PLO dialogue and movement by the USSR toward restoration of diplomatic relations with Israel increase the chances of more active U.S.-Soviet engagement on the Arab-Israeli settlement process during the term of the new U.S. administration. The Soviet Union was among the parties encouraging Arafat to make the rhetorical adjustments required to meet U.S. conditions for talking to the PLO. But the test of Soviet readiness to promote a settlement, and not just to gain a seat at the table as the Arabs' lawyer, will be its willingness to press its Arab clients, especially Syria, and also the PLO, to make the kinds of concessions on substance required for progress in the settlement process.

In the Persian Gulf, as the Iran-Iraq war winds down, and in the context of eight years during which the United States and USSR at least tacitly cooperated to prevent its widening, a U.S. probe of Soviet willingness to join in broad, multilateral limitations on arms exports into the post-war Gulf might be in order. In addition, as the Khomeini regime in Iran approaches its inevitable end, the ongoing process of U.S.-Soviet regional consultations might profitably be extended to include consideration of an agreement to avoid external interference in the turmoil likely to occur in Iran after Khomeini departs the scene.

Finally, building on whatever may be achieved in Afghanistan, Angola, and Cambodia, the U.S.-Soviet dialogue could move on to the exploration of possibly convergent interests in stabilizing other potential hot spots, such as the Korean peninsula and any that may show signs of erupting.

Whether the Soviet Union's willingness to pay a substantial price for liquidating lost causes, as in Afghanistan, or reducing the costs of inconclusive or unpromising ventures, as in Angola, will be generalizable to other areas remains to be seen. The formula for success seems to require unpromising conditions for the Soviets on the ground, to which the United States can contribute; greater extra-regional Soviet interests that a local settlement would serve, where the United States looms very large; and a readiness on both sides to find negotiated modalities for Soviet or Soviet-client military disengagement.

## Bilateral Relations

Three major sets of issues are contained in this basket: exchanges and contacts, economic relations, and human rights. The first of these can be disposed of quickly. The break in *exchanges and contacts* that occurred after the Soviet invasion of Afghanistan has been repaired and then some, and there is now a large and growing set of programs underway. With further improvement in the general climate of East-West relations, the organized and unorganized streams of personal contacts and exchanges should broaden and deepen. As in the past, such contacts and exchanges provide the West on balance with greater opportunities for influencing Soviet development than vice versa. And under conditions of glasnost in the USSR, the United States is in a better position than ever before to press for maximum reciprocity in exchanges.

Whatever changes may take place in the next few years in East-West *economic relations*, they will not play the same role in this new phase of U.S.-Soviet relations as they did during the period of detente. At that time, expectations about economic relations were central to the strategies of both sides. The Soviets offered and much of the West was inclined to buy an implicit trade of Soviet forbearance in exploiting its newly gained military advantages in return for Western economic concessions. Now it is Gorbachev who is seeking to ease competitive pressures in the military arena, both for its own sake and to improve the general environment for perestroika. The West may still seek to use economic instruments to affect Soviet policy, but the emphasis is likely to be on Soviet domestic policy or relations with Eastern Europe.

Until recently, Gorbachev appeared to be assigning a less central place to resource transfers from the West in his domestic programs than did Brezhnev, perhaps because he sought to avoid dependence on the West. The Kremlin's decision during the second half of 1988 to establish substantial credit lines with a number of European banks, primarily to finance modernization of Soviet consumer goods production, must be largely associated with poor domestic economic performance in the past couple of years, but it may also herald a longer-term renewal of interest in capital and technology transfer from the West, in order to cope more successfully with Soviet economic problems. The apparent decision to create a few "special economic zones" in broader regions of the USSR is probably similarly motivated. At the same time, the new emphasis on "international cooperation as a major component of international security," in Gorbachev's words at the UN, is reflected in a more outgoing Soviet international economic policy.

Soviet leaders, with Gorbachev in the fore, have been proclaiming their interest in stepping up the Soviet Union's participation in the international economy. They seem determined to join the major international economic organizations—GATT in the near future, IMF and the World Bank perhaps later. After prolonged negotiations, the European Community and the Council for Mutual Economic Assistance (CMEA) have concluded a framework agreement that will permit follow-up negotiations with the USSR (as well as with the individual Eastern European countries). Reform of the Soviet foreign trade organization that has decentralized trade decisionmaking authority is aimed at enhancing the quality and quantity of Soviet trade flows. For the first time in more than half a century, direct foreign investment on Soviet soil (joint ventures) is being encouraged to step up exports of manufactures, improve domestic management skills, and raise the qualitative level of Soviet production. Soviet leaders may recognize not just the value of foreign technology, but even the importance of foreign competition in enhancing domestic economic efficiency.

There are, nonetheless, substantial constraints on the growth of East-West and particularly U.S.-Soviet trade flows that can be expected to persist in the next few years. Western controls on technology exports have been eased in recent years and may be further relaxed in the benign climate of "New Thinking," but the system is unlikely to be dismantled in the near term. Even if the political climate encouraged substantial removal of Western political restrictions, an important economic barrier to the flowering of East-West trade would remain—severe limits on Soviet ability to pay for Western imports. Until such time as the USSR can become competitive with the West in manufactured goods, Moscow will remain dependent on the export of oil and gas, with all the well-known limitations of that export monoculture. And even with signs of increasingly permissive Western attitudes toward export controls, the Soviets will be reluctant to incur the political and economic risks of dependence on the West.

The main economic policy issues for the United States in the new phase are, with one exception, familiar old questions to be revisited in altered circumstances:

- Should unilateral U.S. and COCOM (Coordinating Committee for Multilateral Controls) controls on technology transfer to the USSR be loosened?
- Should the Jackson-Vanik Amendment be repealed and Most Favored Nation (MFN) status granted to the USSR?
- Should the U.S. Export-Import Bank credit window be reopened?
- Should we continue in effect to subsidize grain sales to the Soviet Union?
- Should we pressure our allies for a common credit policy toward the USSR?

Finally, Soviet bids for a role in the international trade and banking systems raise a new issue:

- Should we attempt to deny Soviet Union membership in GATT, IMF, the World Bank, or other international economic organizations?

Specific positions on these issues will depend heavily on circumstances and agreements among the allies that cannot now be foreseen, but what follows are some principles for making choices in economic policy that are in accord with a strategy of step-by-step engagement:

1. The provision of economic benefits and the levying of economic sanctions constitute the second most important instrument of leverage on Soviet policy and behavior, after security measures, to be found in the Western arsenal. This instrument has often been misused in the past and few successes can be chalked up to its account, but its potential remains great by virtue of the productivity gulf between East and West and the Soviet Union's fervent desire to close that gap. Accordingly, as far as it is politically possible, the West should husband that scarce resource, expending it prudently in exchange for an equally valuable Soviet quid pro quo. That means, it seems to us, that the West should seek to phase the extension of economic benefits with indications of substantial change in the structure of East-West relations and in the nature of Soviet society.

In the past, efforts to apply Western leverage have attempted to match concrete Western economic packages with Soviet behavioral modification. Almost uniformly, these efforts were unsuccessful. The Soviets were always reluctant to allow specific linkages of their external posture or internal policy to East-West economic relations. Invariably, there was great doubt in the West that the exchange values involved were coordinate, since a specific Western sanction or benefit was traded against a frequently intangible, subjective Soviet policy change. Efforts to establish explicit quid pro quos between U.S. economic benefits and Soviet human rights performance, as with Jackson-Vanik, ran afoul of domestic politics in both countries.

The United States sought to dangle a specific economic reward (MFN) before Moscow to secure a specific kind of political performance (higher levels of Jewish emigration) that would be an exception to the generally repressive practices characterizing Soviet domestic policy. Now, however, the prevailing Soviet domestic policy trend is toward liberalization to an entirely unprecedented degree, and Soviet performance on Jewish emigration, though still unsatisfactory, is improving. These changed circumstances reinforce the argument in favor of a different Western strategy for seeking to bring its economic potential to bear politically.

An additional reason for the failure of past leverage attempts was that the United States never obtained alliance consensus on the utility and feasibility of such an approach to altering Soviet behavior. Indeed, the Achilles heel of most previous U.S. efforts to use economic instruments to sway Soviet behavior has been the difficulty of obtaining alliance support. The major obstacles to developing a coordinated Western approach, at least on American terms, have been the greater importance of East-West trade to Western Europe than to the United States, differences in fundamental outlook on East-West relations, and the increasing assertiveness of Western Europe and Japan. This history suggests that the U.S. government should carefully weigh the alleged benefits to the USSR of future economic measures that our allies may undertake before we incur the political costs of attempting to restrain them. More important, it suggests, first, that isolated efforts of that kind, which generally turn out counterproductive, might be unnecessary if we invested more energy in developing a consensual economic strategy; and second, that consensus is more likely if the strategy aims for generalized improvement in East-West relations rather than for specific Soviet policy or posture modifications as the price for Western economic help.

The development of an alliance consensus, even on this altered strategy, will not be easy, but the task may be less difficult now than it was in the early 1980s. Then Moscow was in open conflict with Western interests and the deterioration of East-West relations appeared to threaten international peace. Today, Soviet policy appears to be moving steadily, if unevenly, in directions generally compatible with Western interests, and East-West tensions are melting in the warmth of Soviet rhetoric. As long as Soviet policy continues on its present course, it should be easier for the alliance to agree on the desirability of further progress in the same direction. A generalized linkage of improvements to economic benefaction to the Soviet Union should then be a manageable alliance objective.

Is the effort worthwhile at all, in view of the unfortunate history of leverage attempts? But Western governments and businessmen seem eager to explore the economic opportunities presented by perestroika and "New Thinking." To forgo an attempt to develop an alliance economic strategy now is to risk an uncontrolled effusion of the potential energy of Western leverage under the pressures of competitive response to Soviet blandishments. At least let us try.

2. The chief U.S.-Soviet bilateral economic issues on the agenda of the last decade—Jackson-Vanik and Stevenson amendments, MFN and Eximbank credits—should be handled on these principles. An appropriate starting point, it seems to us, can be found in the appreciation of both the achievements and limitations of Soviet policy change, as well as in the recognition of the readiness of our allies to extend credit to Moscow on favorable terms. The positive turn in Soviet policy suggests that an American policy oriented simply to denial of economic benefits to the USSR is obsolete; however, the limited progress of Soviet internal reform, as well as other factors noted earlier, caution against premature Western commitment to all-out support of Gorbachev's cause. European banks and governments are even less amenable than they were a few years ago to arguments about the undesirability of lending to Moscow. Under these conditions, therefore, Washington could end U.S. denial of Soviet access to U.S. government loans and guarantees. Such a move would represent a conciliatory gesture to Moscow, and it might also improve Washington's ability to seek a coordinated alliance credit policy. Granting the USSR MFN treatment need not be immediately on the agenda, but could be visible on the horizon, if and as Gorbachev makes good on the human rights promises of his December 7, 1988, UN speech.

3. In the initial phase of our rapidly evolving relations with the USSR, we should still seek to minimize the transfer of military-relevant, dual-use technology. We should emphasize in concert with our allies sustainable export controls, recognizing that this probably means reducing their number and maintaining the lists under frequent review.

4. In response to continued positive change in Soviet domestic and foreign economic organization, we should move to greater accommodation with Soviet wishes for increased involvement in international economic organizations (IEOs), provided that the integrity of the IEOs

and Western interests in them are preserved. This means that the Soviet Union will have to adapt its system to the practices and goals of the IEOs. The West should favor such an outcome, which would require the decentralization and "democratization" of the Soviet economy; a Soviet effort to mold the IEOs to its own current image is a contingency we need not fear, because Soviet leverage is so limited.

Placing *human rights* on the agreed official agenda of U.S.-Soviet relations is an important innovation. It reflects both U.S. persistence and Gorbachev's recognition that refusal even to discuss human rights had become counterproductive. The United States can now directly address the Soviets on a wide range of American concerns about the domestic conditions of the USSR that in the past would have been rejected as interference in Soviet internal affairs. This legitimized vehicle for access to the evolving Soviet domestic scene will be very useful in the process of probing, monitoring, and assessing Soviet change.

There has already been welcome change in the condition of human rights in the Soviet Union: glasnost in general, the release of many political prisoners, the granting of exit visas to refuseniks, and the beginnings of an internal dialogue on creating a legal system more responsive to individual rights. Most of what needs to be done, however, still lies ahead. Tension between what is required to secure and institutionalize respect for individual rights, on the one hand, and maintenance of the party's political monopoly and its control over the Soviet Union's minority republics, on the other, is likely to grow.

In this more promising but still severely constrained Soviet human rights environment, certain principles should guide our approach:

- The promotion of human rights, universally as well as specifically in the Soviet Union, is the foundation of American policy, but it is not and cannot be its exclusive focus. How directly we bring human rights considerations to bear depends in part on the issues. Human rights play a less immediate role in the imperative security aspect of U.S.-Soviet relations, a more immediate role in optional aspects of the relationship, such as trade.
- A sustained process of broad societal change in the Soviet Union, in response to perceived Soviet need to revitalize the Soviet system, offers the best hope for continued improvement in Soviet human rights performance, but the United States and the West are deeply engaged in the processes of change in the Soviet Union even without trying: Our very existence and the force of our example exert enormous influence. This influence

has grown greatly as the communications revolution and Soviet glasnost have dramatically increased the exposure of Soviet citizens to the outside world.

- We can nudge the pace of internally driven change by holding Soviet leaders up to the highest standards of their self-proclaimed, new-found commitment to human rights. We should welcome evidence they are living up to those standards, condemn departures from them, and highlight remaining obstacles. In this connection, the nationalities ferment unleashed by reform in many parts of the USSR could present the West and particularly the United States with delicate human rights policy challenges, where it will be necessary to balance our fundamental commitment to self-determination against concern that explosive protest could play into the hands of "law and order" anti-reformers in Moscow.

In the long run, the evolution of human rights in the Soviet Union will determine the upper limits on progress toward a more cooperative East-West relationship generally, including security relations. Fundamental alterations in the existing international security regime will be warranted only in the advanced stages of a process of gradual systemic change in the Soviet Union itself, in which the overall condition of human rights will be the most sensitive indicator.

## REPRISE

To sum up, there are real and promising changes occurring in the Soviet Union, and in Soviet foreign policies. Although future prospects of Soviet reform and the implications for East-West relations in the long term are uncertain, a strategy of step-by-step engagement holds out good promise of early progress.

Where long-standing Western interests in managing East-West relations more safely, reliably, and at lower cost intersect with current Soviet interests in providing a more congenial environment for perestroika, the case for engagement is compelling and unambiguous. But while exploring the limits of Soviet cooperativeness, we should guard against Soviet backsliding, avoid advance payments against unrealized promises, hedge against uncertainties, and build progressively on successes. Far-reaching alterations in existing Western security structures, alliances, and strategies, especially in Europe, will be warranted only in the advanced stages of a process of systemic change in the Soviet Union itself, in its relations with Eastern Europe, and in its patterns of international behavior.

We need to begin exploring the kinds of fundamental changes in the Soviet Union that might permit us to move beyond containment and deterrence to a better balanced, more substantially cooperative East-West relationship; to consider what we would regard as persuasive evidence that such changes were actually taking place; and to think through what we might be prepared to offer in return.

In practice, in addition to responding broadly to positive Soviet change, we should graduate our own willingness to be forthcoming in addressing outstanding Soviet concerns to Soviet behavior in addressing ours. This means that we have to continue to resist any new Soviet efforts at self-aggrandizement, but we must also be ready to reciprocate Soviet self-restraint and cooperation.

[Whereupon, at 11:50 a.m., the hearing was adjourned.]

# INTERNATIONAL SECURITY ENVIRONMENT (STRATEGY)

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THURSDAY, APRIL 6, 1989

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
*Washington, DC.*

## NEGOTIATIONS ON CONVENTIONAL FORCES IN EUROPE

The committee met at 2:05 p.m., in room SR–222, Russell Senate Office Building, Senator Sam Nunn (chairman) presiding.

Committee members present: Senators Nunn, Levin, Dixon, Warner, Thurmond, Wilson, Gorton and Lott.

Also present: Senator Metzenbaum.

Committee staff members present: Arnold L. Punaro, staff director; Daniel G. Sukara, research assistant; Lucia M. Chavez, security control officer.

Professional staff members present: Robert G. Bell, Sherri Wasserman Goodman, William E. Hoehn, Jr., and James R. Locher III.

Minority staff members present: Patrick A. Tucker, minority staff director and counsel; Romie L. Brownlee, deputy staff director for the minority; Robert F. Bott, Brian D. Dailey, George K. Johnson, Jr., George W. Lauffer, and Mark B. Robinson, professional staff members.

Staff assistant present: Cindy Pearson.

Committee members' assistants present: Kenneth N. Luongo, assistant to Senator Levin; William J. Lynn, assistant to Senator Kennedy; Phillip P. Upschulte, assistant to Senator Glenn; Leon S. Fuerth, assistant to Senator Gore; Jefferson B. Seabright, assistant to Senator Wirth; Terrence M. Lynch, assistant to Senator Shelby; Anthony H. Cordesman, assistant to Senator McCain; Robert M. Soofer, assistant to Senator Gorton; Charles Pearcy, assistant to Senator Lott; and Eric H. Thoemmes, assistant to Senator Coates.

### OPENING STATEMENT OF SENATOR SAM NUNN, CHAIRMAN

Chairman NUNN. The committee will come to order.

The committee meets this afternoon for the second in our series of hearings on the strategic issue of critical importance to the United States and allied security interests.

Today we will address the new negotiations on conventional forces in Europe and receive testimony from a very distinguished panel consisting of Gen. Andrew Goodpaster, Chairman of the Atlantic Council of the United States and former Supreme Allied Commander in Europe; Phil Karber, Senior Vice President for National Security Programs at the BDM Corporation; and Stan Sloan, Senior Specialist in International Security Policy at the Congressional Research Service and a former member of the U.S. MBFR delegation.

We are pleased to have all of you here today and we look forward to your testimony. We will hear from Phil Karber about the manner in which the Soviets intend to implement President Gorbachev's unilateral conventional cuts and to critique the opening Warsaw Pact and NATO proposals in Vienna. General Goodpaster will summarize the principal conclusions and recommendations of an Atlantic Council paper that he has either released or is about to release today. Last, we have asked Mr. Stan Sloan to describe the perspective of our allies on these new negotiations, with particular emphasis on the French, the British and the West German views.

We have a very distinguished panel here today. After Senator Warner makes his opening comments, I would propose that General Goodpaster lead off, followed by Mr. Karber and Mr. Sloan.

Senators Dixon and Thurmond have prepared statements which they have submitted for insertion in the record.

### PREPARED STATEMENT OF SENATOR ALAN J. DIXON

Optimism for an early agreement on reducing the conventional forces of NATO and the Warsaw Pact has never been greater. The recently convened Conventional Armed Forces in Europe [CFE] talks opened with both sides proposing positions on tank, artillery, and armored personnel carriers that are similar and represent a good start for the negotiations. This good start was preceded by General Secretary Gorbachev's December 1988 proposal to unilaterally reduce Soviet military forces opposite NATO and by the signing of the intermediate nuclear forces treaty to reduce nuclear weapons in Europe. Our major adversary, the Soviet Union, is undergoing major reforms that if successful will undoubtedly reduce the conflict between our two nations and between the Soviet Union and Western Europe. Indeed, optimism has never been higher.

However, our optimism should be guarded. The CFE talks are just beginning and the previous mutual and balanced force reduction talks ended in failure after 15 years of negotiations. The unilateral reduction of Soviet troops and equipment has not begun in earnest and if completed will only reduce the immediate threat that had been faced by NATO forces. Unless Gorbachev proposes an additional and substantial unilateral withdrawal of Soviet forces, we should substantially reduce our NATO forces only as part of a CFE agreement. Soviet forces opposite NATO remain too strong for us to do otherwise.

Gorbachev's reforms have not been a total success and his failure or any other unfortunate circumstance in the near term could allow the return of previous Soviet practices. He faces serious separatist unrest within the Soviet Union and political unrest within the Eastern bloc, such as in Poland, that threatens Soviet domination. These potential problems mandate that for the foreseeable future we should retain the NATO force structure that we possess, so that we can adequately respond to crises.

The immediate is a challenging period for the NATO Alliance—fraught with hope but risky with peril. In addition to reducing defense expenditures, let us not forget that Gorbachev's initiatives are aimed at reducing political support for the alliance and increasing friction among its members. United States calls for more burdensharing from NATO members is a source of tension. Yet, our limited defense funds are forcing us to look closely at the high cost NATO budget.

Pressure is building to unilaterally reduce NATO forces and to rush to an early agreement in the CFE talks. In my view, to succumb to this pressure would be a mistake. Our first priority should be to ensure that our NATO Alliance remains strong to meet the challenges that we face. To successfully negotiate a conventional force reduction agreement, we need to negotiate from a position of strength. This is one of the reasons why I believe that conventional forces should receive adequate funding. Negotiating from a position of strength is a key to success and a stable peace.

We have outstanding witnesses testifying before the committee today, and I look forward to their comments.

### PREPARED STATEMENT OF SENATOR STROM THURMOND

Mr. CHAIRMAN. Yesterday, we heard from a distinguished group of experts on the Gorbachev reforms and their implications for U.S. strategy. What I heard was that we should take a cautious approach to the Gorbachev reforms and not be deceived into letting down our defenses.

Mr. Chairman, I want to congratulate you in your choice of this second hearing. I consider the talks on conventional armed forces in Europe as among the most important negotiations that the United States has undertaken in recent history. We heard yesterday that the party who controls the conventional force reductions will control the political climate in Europe. I echo those sentiments. We must proceed with caution and ensure that we keep a viable force in Europe to maintain our strength and the confidence of our allies in the NATO Alliance.

I want to welcome today's most distinguished group of witnesses and look forward to their testimony on these most critical negotiations. I especially want to welcome General Goodpaster. He is a distinguished soldier and diplomat.

Thank you Mr. Chairman.

Senator WARNER. Thank you, Mr. Chairman. Again, I congratulate you and others for putting this hearing together and I believe our panel is aware of the hearing that we had yesterday providing a background on the current and projected situation in the Soviet Union.

Thank you very much, Mr. Chairman.

Chairman NUNN. Thank you, Senator Warner. You have been a vital part of putting these hearings together because we have consulted together on all of the witnesses, and I think we have a very good panel here today on an extremely important subject.

General Goodpaster, we have had a lot of contact with you over the years and have admired you for a long time. You have had a very distinguished career in the U.S. military and in every other endeavor that you have ever undertaken. We are honored and pleased to have you with us today. You may proceed with your statement.

## STATEMENT OF GEN. ANDREW J. GOODPASTER (USA-RET), CHAIRMAN OF THE ATLANTIC COUNCIL OF THE UNITED STATES AND FORMER SUPREME ALLIED COMMANDER, EUROPE

General GOODPASTER. Thank you very much, Mr. Chairman. I have a prepared statement. In the interest of time, I would like to cover some of the principal points and skip over some others, if the entire statement could be put in the record.

Chairman NUNN. The entire statement will be made part of the record.

General GOODPASTER. Thank you.

Mr. Chairman, members of the Senate Armed Services, may I begin by saying that I welcome this opportunity to appear before the committee and present my views. I think that we are already well into a period of profound change in the whole fabric of security issues and relationships that we have known for many years. We still cannot be sure how far these changes will go, but it does look as though they will be quite sweeping, and they can be favorable in direction.

While some will come early and others later, and some may not materialize at all, I do believe that we are already faced with the need to consider new goals and new strategic solutions to fit the range of possibilities and the means of determining when we can safely move toward those goals.

At the Atlantic Council, where I currently serve as chairman, we have been giving very careful attention to these needs. I myself have recently developed a specific proposal for consideration which will be the focus of my remarks today. The views that I present will be my own.

First, briefly, some of what I regard as the underlying considerations and some essential preliminary steps, and then a set of recommendations, including the proposal itself.

If the new Soviet policy set out by General Secretary Gorbachev becomes a reality in fact, then the whole security structure that the world has known since mid-century becomes open to a series of major transforming changes in which our interests here in the United States will be deeply and directly involved.

There are, however, many questions to be confronted along the way and accordingly, while welcoming the possibility of a new and better ultimate era, there is reason, I believe, to focus early attention on a closer-in period, a mid-term or intermediate stage, roughly the mid-1990's, in order to tackle the issues closer at hand and, in the process, probably hasten the long-term changes.

I might say, if I may, Mr. Chairman that the choice of the mid-term is really the key to my proposal. That is a time far enough away to allow significant changes to occur, but not so far away that we are dealing speculatively or with institutions that do not exist.

The first task, then, will be to clarify the starting point through negotiations and continuing dialogue between East and West, and that should cover first a fuller understanding of Gorbachev's announced unilateral changes. Next, means of verifying the changes—and conventional force verification, as we know, raises new sets of complications—and that must include exchanges of data and verification by on-site inspection.

And, next, assurance that the Soviet Union will forego attempts at extension of control through the use or threat of force. In other words, no export of revolution, to use their terms.

We need clarification as to what the term, "defensive defense", and the other term, "reasonable sufficiency", mean in fact. And we need to see a reduced capability for surprise invasion and a resulting substantial increase in reliable warning time. As a former NATO commander, I put great emphasis on that factor.

We need to review and consult with the Soviets regarding the role of our respective strategic nuclear forces, hopefully in a post-START environment. We need to assess Soviet ability to handle the nationality issues within their own country in a way that will not sidetrack the force reduction process.

We need to see Soviet relations managed with the nations of Eastern Europe and an answer to how these countries can become independent without becoming hostile or constituting a perceived threat to Soviet security, and that issue in Eastern Europe is certainly one of very high priority.

Now just a few of the underlying considerations that have to enter into judgments in this area. On the Soviet side, it is the combination of Soviet power and Soviet military policy, together with the threats that they constitute and the Western responses to them, that have been the paramount driving force in shaping the security structure that now exists in which the United States has had a leading and indispensable role.

While the changes that General Secretary Gorbachev has described can be truly historic, we cannot forget that Soviet leadership could again change its policy direction, possibly on short notice, and that means to me that we should proceed by careful stages. Actual changes in Soviet military power and capabilities will be a stronger indication than statements of intention. We will have to observe very closely just how these decisions are carried into practice.

At the Atlantic Council we have a follow-on study under preparation by Mr. John Hardt and Dr. Timothy Stanley on specific indicators of change. I think it will be very important to pursue that.

Chairman **Nunn**. General Goodpaster, when is that scheduled to be finished?

General **Goodpaster**. We are hopeful that that could be out in 1 month to 6 weeks, something like that. We are pressing to move that along as quickly as we can.

Chairman **Nunn**. This would be a measuring index against which to measure Soviet changes?

General **Goodpaster**. Exactly. What we want to do is identify the specific indicators and then that will give us the basis for seeing just how they are doing against those indicators.

Chairman **Nunn**. This is purely military, or is this political too?

General **Goodpaster**. Military and economic, but there are political overtones to it as well.

It is my view that the questions that still have to be answered about the Soviet military forces and programs mean that on the side of the United States and NATO there are strong reasons for continuing the United States-NATO military association with a substantial continuing U.S. participation throughout the time from now through this mid-term.

Another point I would make on the United States-NATO side: In my view, at least for ground and air elements reduction to parity seems to be in the interest of all concerned, and I think it is in the interest of Soviet security as well and therefore is a very promising concept.

For naval forces, I think that some special considerations have to apply, notably insofar as recognizing the special Western dependence on our Atlantic and Pacific sea lanes for the support of our overseas commitment and our overseas forces.

The next point is that substantial force reductions below initial parity on the basis of parity, if they are carefully conducted, even to a level for both sides of one-half of the forces of the side now with the smaller levels—and that is NATO in almost every case—that could be advantageous to the security of both sides, I believe.

Chairman **Nunn**. Would you call this a mid-term goal or a long-term goal?

General **Goodpaster**. A mid-term goal.

Chairman **Nunn**. Mid-term goal. You are saying that you believe that 50 percent of the current level of NATO forces on both sides——

General **Goodpaster**. That should be our goal. Whether that can be fully attained by the mid-term, there are some qualifiers that I want to put in later. We do not want to destroy the integrity of our Armed Forces. We have to think about our personnel strengths and many things of that kind. But I think a clear goal of that kind will give us something to focus the consideration, something to work toward.

Senator **Warner**. General, if I might just interrupt, could you define mid-term?

General **Goodpaster**. I say about the mid-1990s. And as I tried to describe it at the outset, it is long enough to allow very substantial changes to occur or at least to be initiated, but not so long as to be dependent on things that do not now exist where we would be highly speculative.

My main point is I think we can proceed prudently and safely that far. By the time we reach or approach that stage, we should be able to project further, but I think it would be very difficult to predict or project further at this time in a prudent way.

I made the point about going down to half of the strength of the smaller force, NATO in most cases, and, of course, that has to be very closely verified. As you begin to get to these lower figures, we will need to have very high confidence in the verification process.

I would add that if reductions such as this are concentrated in force elements that are capable of deep thrusting attack, such as tanks, artillery, mechanized infantry vehicles, bridging engineers and so on, they could leave each side still capable of defense, but without either one having the ability to attempt a sudden, deep invasion.

Now there are a lot of other issues to be considered and my professional colleagues will surely be going into those in very close detail, such as the force-to-space ratio issue. If you make reductions of the size I am talking about, I think that implicit in that is a need for modification of doctrine and certainly modification of plans and even command processes. I do not think, though, that it implies any change in NATO's doctrine of flexible response or forward defense.

If we do this, if we make changes of this kind, we will open a dynamic period in which there will be opportunity to redress the presently perceived disproportionate U.S. contribution to NATO. There may be occasion to pass greater responsibility, perhaps primary resposibility, to the European countries of NATO jointly to provide the military capabilities needed for their security, with the United States moving further, even though not completely, toward a supporting role for its forces.

I might comment that that was what was envisaged by General Eisenhower and some of us associated with him at the outset of NATO.

Chairman **Nunn**. Do you mean more of a reserve role, a relief role, within theater, or a reserve role back in the United States?

General **Goodpaster**. As far as the mid-term, I see the need for continued presence of U.S. forces in place on the ground in Europe, land and air forces. However, it becomes very important that we have a quick reinforcement capability, both air and ground, with a very heavy accent on the air—at that time.

If we do that, if we move to that kind of capability on our side, that opens up the possibility that reserve forces locally deployed in Europe—the reserve forces of the European countries—can take a greater role than they have had to date.

Those are some of the matters for the review and revision of doctrine and plans that I mentioned earlier, and they will have to be examined and should be examined very closely by our responsible professional military leaders. I might just say in passing that this may offer the opportunity to get beyond some of the current frustrations over burdensharing on which we periodically find ourselves hung up.

I mentioned a moment ago that there would be a requirement of the United States to retain substantial capabilities to provide conventional force reinforcements to Europe, quick reinforcements, both ground and air.

Finally, I would say that throughout this period NATO should have the assured continued backing of a significant U.S. nuclear capability. Our strategic forces should never be inferior to those of the Soviet Union and should retain a powerful retaliatory capability despite any attack that could be made against them. I think that is an essential part of our deterrence. It must be seen in that light by the Soviets and by our allies as well.

With regard to United States tactical nuclear forces in Europe, I think it will be necessary to retain them, but the specific types and numbers should be a matter for further repeated determination and negotiation within NATO as the mid-term proceeds.

Mr. Chairman, I have looked at other areas of the world, but in the interest of time I would like to now go to my set of specific policy recommendations and cover those briefly.

First, at as early a date as possible our country should set forth its policy views in what I call constructive and prudent terms on the reshaping of East-West security. We should give high priority to the development of an overall political-military security concept for the mid-1990s to guide negotiations with the Soviets as well as Western force planning for that interim period.

A framework should be created and should set in clear context the various initiatives and actions—negotiations, reciprocal and responsive measures, both collective and nation-by-nation, and, where appropriate, modifications in alliance doctrines and plans.

The negotiations should include not only force reductions but changes in deployments and force structure, as I mentioned earlier, and I think the present NATO proposal should be superseded as soon as possible by a more meaningful offer that addressed mid-term goals and objectives.

Chairman **Nunn**. General, on that point could I ask if you envision that it would be better to, more or less, leapfrog the current NATO proposal with a much more meaningful proposal, or, do you believe we ought to negotiate step one with the current proposal, leading to a more meaningful offer?

General **Goodpaster**. I would have no objection to trying to do the latter, if we had clearly in mind and had some discussion, considerable discussion, within the alliance and discussion with the Soviets about what we are looking for beyond this initial period.

Chairman **NUNN**. In other words, you believe it would be a mistake to simply focus, in isolation, on the current NATO proposal?

General **GOODPASTER**. I do indeed.

I mentioned earlier the need for initiating steps to clarify and verify the measures that are announced and are taken at each stage of this process.

I also made the point—and this is one of my recommendations—that there be continued United States-NATO military association through the mid-term, with substantial continuing U.S. participation, but recognizing that what I call organizational and procedural modalities may need to be reviewed. There should be organizational changes and those should be considered within our country and within NATO.

And now the specific set of goals. First, what I call a radical restructuring of the forces of NATO and the Warsaw Pact on the basis of parity, with total active forces on each side at no more than 50 percent of present NATO strength, reductions to be carried out in phases initiated at an early date.

Zones free of such weapons as tanks, self-propelled artillery, the mechanized infantry vehicles, and bridging engineers should be established. In light of the geography of the area, the Zones, in my view, should be substantially deeper on the Pact side than on the Western side, and this should be a matter of discussion with the Russians at an early date.

We should contemplate a continued U.S. force presence in Europe through the mid-term, both land and air, but at no more than 50 percent of current levels.

A continued United States capability for reinforcement of Europe, keyed to Soviet reinforcement capabilities—maybe that should be said the other way around. We should negotiate with the Soviets so that we have a solution in which their reinforcement capabilities and our reinforcement capabilities—the rate at which we can build up our military forces on both sides—are kept in careful parity.

Chairman **NUNN**. Would you say parity in the time required for reintroduction of forces, then?

General **GOODPASTER**. That is really what I am getting at. That is going to be a complicated calculation, but I think a very important one. As a former military planner, I would have to say that studying that rate of relative buildup is a very important determination for every commander.

At least through the mid-term a substantial U.S. and United States-NATO nuclear capability should be retained in Europe, with the types and numbers periodically recalculated, taking account of what the Soviets are willing to do. I bring out strongly again that our strategic forces should maintain parity with those of the Soviet Union.

I have made some comments in my prepared statement about the Far East, the Korean area, and other areas of the world, particularly the high seas where we have special responsibilities, but in the interest of time I will not now go into those in detail.

I realize that there are a multitude of collateral issues and problems and many of them are going to be quite difficult, such as the handling of sea-based cruise missiles, the treatment of ground and air reserves and so on, but if it is true, as I believe, that the measures I have outlined are the major determinants of the future military balance, then it should be possible, given serious intent, to devise safeguards and constraints that would keep these other factors from preventing the attainment of the major goals.

What I am talking about here is another one of these two-track policies in which we should focus on the need for public and parliamentary support, both for a sequence of prudent, constructive actions responsive to an improved international environment and for the continuing military force levels and deployments adequate to safeguard security. While we focus on the mid-term, we should explicitly and clearly keep the way open for further improvement in the time beyond that, if that seems to be possible.

I make, finally, the point that the United States should take the lead in presenting a proposal along these lines first to our friends and allies for thorough consultation and then both bilaterally and multilaterally to the Soviet Union.

Mr. Chairman, this obviously is only a beginning. It needs to be evaluated in depth and detail by responsible staffs and analysts who have access to the full range of policy and military information, some of which is highly classified, and then it should be weighed by the responsible decisionmakers and military commanders. It is my hope and that of the Atlantic Council that it may contribute in a concrete way to constructive consideration of the issues involved.

This concludes my statement. I will be happy to respond to questions or comments at a later time.

[The prepared statement and report of General Goodpaster follow:]

## Statement by

## General Andrew J. Goodpaster, U.S. Army (Ret.)

Mr. Chairman and Members of the Senate Armed Services Committee,

I welcome the opportunity to appear before your Committee and present my views on this important and timely subject. We are already well into a period of profound change in the fabric of security issues and relationship we have known for many years. We cannot be sure how far these changes will go, but they may prove quite sweeping and favorable in direction. While some will come early and others later, or not at all, we are already faced with the need to consider new goals and new strategic solutions to fit the range of possibilities--and the means of determining when we can safely move toward the goals.

At the Atlantic Council, where I currently serve as Chairman, we have been giving careful attention to these needs. I myself have recently developed a specific proposal for consideration, which will be the focus of my remarks today. The views I present will be my own:

--First, briefly some of the underlying considerations and essential preliminary steps;

--Then, a set of recommendations, including the proposal itself.

The main impetus for my initiative has been a considered view that if the new Soviet policy set out by General Secretary Gorbachev becomes a reality in fact, the whole security structure the world has known since mid-century becomes open to a series of major transforming changes, in which U. S. interests will be deeply and directly involved. There are however many questions to be confronted along the way and accordingly, while welcoming the possibility of a new and better ultimate era, there is reason to focus early attention on a closer-in period--a Mid-Term or Intermediate stage, roughly the mid-1990s--in order to tackle the issues closer at hand--and in the process probably hasten the longer-term changes.

A first task will be to clarify the starting point through negotiations and continuing dialogue between East and West. The needs include

--A fuller understanding of Gorbachev's announced unilateral changes--just when and where the reductions are to be made, with what resulting changes in Soviet military capabilities--and in their implications to NATO.

--Means of verifying the changes; conventional force verification raises new sets of complications, and exchanges of data, should be undertaken as an early step, with verification by on-site inspection to reconcile differences.

--Assurance that the Soviet Union will be prepared to forego attempts at extension of Soviet control or hegemony over other countries by the use or the threat of force.

--Clarification as to what "defensive defense" and "reasonable sufficiency" mean in fact, and a reduced capability for surprise invasion, with a resulting substantial increase in reliable "warning time."

--Review and subsequent consultation regarding the role of each side's strategic nuclear forces (hopefully, in a post-START environment).

--Assessment of Soviet ability to handle the nationalities issue within the Soviet Union without producing instability that could sidetrack the force reduction process.

--In Soviet relations with the nations of Eastern Europe, an answer to how these countries can become more independent without becoming hostile or constituting a perceived threat to Soviet security.

It will aid in the accomplishment of these preliminary or prerequisite clarifications and undertakings to look ahead as far as possible to the underlying considerations that should shape our mid-term policies, deployments and programs--and assure that we have armed forces of size and posture suited to our security interests at each stage of changing East-West relations.

On the Soviet side, it is Soviet policy and Soviet military power in combination--together with the threats they evoke and the Western responses to those threats--that has been the paramount driving force in shaping the security structure that now exists, in which the U. S. has had a leading, indispensable role. While the changes in Soviet policy that General Secretary Gorbachev has described can be truly historic in their implications, we must not forget that Soviet leadership could again change its policy direction, possibly on short notice. These considerations give reason for proceeding by careful stages. The actual changes in Soviet military power and resulting capabilities will provide a stronger indication than statements of intention. It will be necessary to observe and assess, so far as we are able, the effects of decisions both at the top political level and at the military-technical level, i.e., just how, and how fully, the policy decisions are carried into practice at the level of military forces, programs and deployments. The next Soviet 5-year plan should provide further evidence in this regard.

On the side of the U. S. and NATO, it seems clear at this point that through the mid-term, the questions that still have to be answered about Soviet military forces and programs mean that there will be strong security reasons for continuing the U. S. NATO military association, with substantial continuing U. S. participation.

General Secretary Gorbachev himself has offered asymmetric reductions, to bring the Warsaw Pact and NATO to a condition of conventional (and presumably nuclear) parity. There can be little question that such parity would be in the security interest of the United States--viewed from the standpoint of what is good for America--just as it would be good for NATO as a whole. At least for ground and air elements, reductions to parity would seem to be in the interest of all concerned. For naval forces, special considerations must apply--notably, insofar as recognizing the special Western dependence on the Atlantic and Pacific sea-lanes for the support of U. S. commitments to and participatioan in collective defense in Europe and in the area of Japan-South Korea. Substantial force reductions below initial parity, if carefully conducted--even to the level for both sides of one-half of the forces of the side now with the smaller levels (NATO in most cases)--could be advantageous to the security of each side. The remaining strengths would of course have to be reliably verified. If such reductions are concentrated in force elements capable of deep-thrusting attacks (such as tanks, artillery, mechanized infantry vehicles, bridging engineers and the like), they could leave both sides still capable and confident of effective defense, without either one having the ability to attempt a sudden deep invasion. There are, of course, such further issues to be considered as "force-to-space" ratios but given increased warning from force redeployments, and with skillful planning and leadership, there is no apparent reason why these cannot be managed.

Such reductions, in order to avoid destructive damage to force integrity and morale, must be phased in carefully and carried out over a considerable period of time--in the case of the U. S. at least, a number of years. Already we have seen statements by obviously concerned Soviet military officers emphasizing exactly this point on their side.

Such reductions offer a non-disruptive opportunity to redress the presently perceived disproportionate U. S. contribution to NATO. In fact there may be occasion to pass greater--perhaps primary--responsibility to the European countries of NATO jointly to provide the military capabilities needed for their security, with the U. S. moving further (though possibly still not completely) to a supporting role for its forces, such as was envisaged by General Eisenhower and others at NATO's beginning. U. S. policy should favor European efforts to strengthen WEU and give it a significant military role, renegotiating as appropriate its relationship to NATO and to the presently existing civilian and military structures of NATO. Within the United States, the prospect for negotiated substantial reductions and a greater European role and responsibility could and should be used to get beyond the present frustrations over NATO "burden-sharing," while avoiding premature or unilateral U. S. force withdrawals, which could be damaging to NATO--and could reduce Soviet incentives to continue with asymmetrical reductions on their side, either through negotiation or further unilateral decisions.

There will remain a requirement for the U. S. to retain a substantial capability to provide conventional force reinforcements to Europe in case of threatened or actual attack. Such conventional capabilities are now and will remain a significant element in the overall deterrent on which stable security for the NATO countries depends. If U. S. forces should be reduced as a result of the Gorbachev initiatives, the response seems likely to include cutbacks in the deployed strengths in Europe. In that case, so long as the Soviet reductions leave a substantial reinforcing capability both forward of and behind the Urals, the retention of U. S. quick reinforcements in the U. S.--both ground and air--should have a high priority.

The U. S. should thus continue in the mid-term to provide a significant contribution to ground and air forces in Western Europe--a clear necessity at least until Soviet policy and military power have reached a point permitting further stages of prudent Western movement. Exact levels for U. S. ground and air forces in Western Europe, as well as those available for reinforcement from the U. S., would be a matter for stage-by-stage determination, as would possible arms control and confidence-building measures for naval forces.

Throughout this period, NATO should have the assured continued backing of a significant U. S. nuclear capability. Specifically, the strategic forces of the United States should not be inferior to those of the Soviet Union--and should retain a powerful retaliatory capability despite any attack that could be made against them. The specific types and numbers of U. S. tactical nuclear forces in Western Europe should be a matter for further, repeated determination as the "mid-term" proceeds.

Outside the NATO area, the progress in U. S.-USSR relations will be heavily dependent on the course of U. S.-USSR regional negotiations, and in particular on reduction of Soviet support for regimes hostile to the U. S.

In Northeast Asia--the area of Japan and North Korea--maintaining a suitable balance of force vis-a-vis the Soviet Union retains its basic importance. Similarly, the antagonism of North Korea toward South Korea (though possibly showing some signs of softening, at least to a degree) provides convincing reason for retaining at least some U. S. forces in that area. Elsewhere, U. S. military arrangements are dominated first by the need to assure free use of the seas and second, in regard to certain key U. S. interests (in Israel and the Persian Gulf area above all) by the need to protect what the U. S. regards as vital necessities.

In the regional problem areas--Nicaragua, Cuba, Ethiopia but perhaps not now Angola--a conflict between U. S. interests and Soviet activities continues. The existence of regimes hostile to the U. S. imposes requirements for U. S. military forces that would be able to offset or neutralize them should the need arise.

In the aggregate, U. S. military deployments and posture in the non-NATO areas of the world will be influenced by the course of Soviet policy and the form and level of Soviet military power, but will be shaped to a substantial degree by local and regional issues and conditions. The prospects for force reductions are therefore limited.

For the mid-term, it is clear that while in many cases actual substantial changes can be made, in others only the initial steps can be accomplished, with full results requiring further years.

For the more distant future, we should keep our options open for more far-reaching shifts as these can be defined and evaluated.

And now, in light of the foregoing, these are my policy recommendations:

1. At as early a date as possible, the U. S. should set forth its policy views, in constructive and prudent terms, on the reshaping of East-West security. The initial approach, while recognizing the ultimate possibility of still further steps, should concentrate on the timespan from the present to a "mid-term" period far enough ahead to allow major concrete changes to be made in military forces, deployments, programs and doctrines but not so far as to be dependent upon new international institutions and processes not yet conceived. The mid-1990s are suggested as a suitable target date for such mid-term planning.

2. The U. S. and NATO should give high priority to the development of an overall political-military security concept for the mid-1990s to guide negotiations with the Soviets as well as Western force planning for the interim period.

3. A framework should be created to set in clear context the various initiatives and actions to be pursued: negotiations, reciprocal and responsive measures (both collective and nation-by-nation), and where appropriate modifications in alliance doctrines and plans. A major purpose of this framework should be to build public understanding and support of the efforts of governments during a period which seems likely to be of profound and sometimes unsettling change.

4. Negotiations should include not only force reductions but changes in deployments and force structure (in particular, tanks, armored personnel carriers, artillery, bridging units and other elements providing a deep invasion capability). The present NATO proposal should be superseded as soon as possible by a more meaningful offer that addresses mid-term goals and objectives.

5. Should Soviet unilateral reductions, or changes in structure and deployment, permit, NATO countries should be prepared to carry out force modifications of their own to reduce the level and intensity of military confrontation in Europe. The possibility of unilateral Western reductions should be urgently studied in NATO.

6. Steps should be initiated as soon as possible to begin to provide for the clarification and verification of measures announced or taken by nations of the East and the West to move toward the new security arrangements envisaged. The process should include, in addition to exchanges of views at the highest levels, a systematic and ongoing dialogue covering concrete issues at the diplomatic and technical level.

7. Continued U. S.-NATO military association should be envisioned through the mid-term, with substantial continuing U. S. participation. It should be recognized that organizational and procedural modalities may need to be reviewed, and revised if appropriate to reflect changes in Soviet power and policy, and in the modalities of the Warsaw Pact.

8. A concrete proposal should be formulated, setting out the main elements of the mid-term objective military posture which should be the goal of both East and West, especially in negotiations for conventional force reductions in Europe. The following set of goals is proposed for consideration:

. . . . . . .

a. A radical restructuring of the forces of NATO and the Warsaw Pact, on the basis of parity, with total active forces on each side at no more than 50% of present NATO strength. Reductions should be carried out in phases and initiated at an early date. Concurrently, zones free of such weapons as tanks, self-propelled artillery, mechanized infantry vehicles, bridging engineers and the like should be established. In light of the geography of the area, the zones should be substantially deeper on the Pact side than on the Western side.

b. Continued U. S. force presence in Western Europe, land and air, but at no more than 50% of current levels.

c. A continued U. S. capability for reinforcement of Europe, keyed to Soviet reinforcement capabilities, with major forces for this purpose limited to no more than present levels.

d. At least through the mid-term, a substantial U. S. and U.S./NATO nuclear capability should be retained in Europe, the types and numbers of which should be recalculated periodically on the basis of changes in the conventional force balance and in Soviet nuclear forces capable of hitting targets in Western Europe.

e. U. S. strategic forces should maintain parity with those of the Soviet Union, and should be structured and postured so as to retain a powerful retaliatory capability despite any attack that could be made against them.

9. In the Far East, a suitable balance of force vis-a-vis the Soviets should be maintained, in order to safeguard a stable security equilibrium in the area, taking account of any changes in Soviet commitments and military deployments that occur. The strength of U. S. forces in Korea ould be periodically reviewed with a view to making reductions when and as permitted by improvements in South Korean capabilities and in South Korean/North Korean relationships resulting in any easing of the threat from the North.

10. Elsewhere, U. S. forces and their deployments should reflect the need to assure free use of the seas, protect key U. S. interests (notably in Israel and the Persian Gulf area) and contribute to peaceful order.

The nature and level of Soviet activitiy will require careful attention, although U. S. commitments may be dominated by local and regional issues and needs. With regard to the regional problem areas such as Nicaragua, Cuba and Ethiopia, the U. S. should maintain military forces to offset or neutralize whatever threat they pose, both for deterrence and as might be required in case of a major war. A reduction in Soviet military assistance to such regimes could be reflected in corresponding changes in U. S. military posture.

11. Obviously, a multitute of collateral issues and problems, many of them quite difficult--such as the handling of sea-based cruise missiles, the treatment of ground and air reserves, etc.--will need to be confronted as this effort proceeds. If it is true, however, that the measures detailed above are the major determinants of the future military balance, as I believe they are, it should be possible--given serious intent to reach a safer, more stable security situation--to devise safeguards and constraints that will keep them from preventing the attainment of the major goals.

12. In this regard, actions proposed sould be clearly focused on the need to sustain public and parliamentary support both for a sequence of prudent, constructive actions responsive to such reduced international tensions as may result from the Gorbachev initiatives and for continuing military force levels and deployments adequate to safeguard security during what we may hope to be a progressively improving international situation. While action should be focused on the mid-term, the way should clearly and explicitly be kept open for further improvement in the state of international security. Such a dual-track policy seems especially difficult to pursue with steadiness in the Western democracies. It constitutes a critical challenge to top-level political and military leadership.

13. The U. S. should take the lead in presenting a proposal along the foregoing lines first to our friends and allies for thorough consultation and then bilaterally and multilaterally, as appropriate, to the Soviet Union.

Mr. Chairman, the foregoing is obviously only a beginning. It needs to be evaluated in depth and detail by staffs and analysts with access to the full range of policy and military information, some of it highly classified, and then weighed by responsible decision-makers and military commanders. It is my hope it may contribute in a concrete way to constructive consideration of the issues involved.

This concludes my statement. I will be happy to respond to questions or comments.

# Gorbachev and the Future of East-West Security:

## A Response for the Mid-Term

*by*

Andrew J. Goodpaster

Washington, DC
April 1989

# FOREWORD

The reforms and changes that General Secretary Gorbachev has launched in the Soviet Union with perestroika, glasnost and "new thinking" have been greeted variously in the West as "unprecedented," "dramatic," and "let's wait and see." Of course a cautionary note is almost always sounded, such as "If faithfully implemented . . . ," and rightly so, but a consensus gradually appears to be emerging that with wise policies, skillful management and creative leadership, *over time* the changes in the Soviet Union, in combination with Western initiatives, offer opportunities for altering significantly the structure and quality of international relations as we have known them since World War II.

Many committed Atlanticists are of the opinion that while the NATO Alliance has been prudently cautious in its assessments of developments in the Soviet Union, the countries of the Atlantic Alliance, collectively and individually, have thus far been unimaginative in following up on the success of past Western policies. What has been lacking is a realistic vision, an agreed plan for the mid-term, of where the Alliance wants the East-West process to go and a consensus on the specific steps required to get there.

Such a realistic "vision" would serve three important functions. First, it would put the West in a position to test and to take maximum advantage of the new opportunities, and thereby impel the process forward to agreed goals of enhanced security at reduced force levels. Second, because of the Allied consultation process required to reach a common plan, the common effort would reinforce the cohesion of the Alliance during a period when only solidarity will bring success to our policies. An Alliance with individual allies proceeding in several, *ad hoc*, counterproductive and contradictory directions is certain to bring acrimonious disputes and reduced security, and thereby make negotiations with the USSR even more difficult. It would be a sad irony if the changes in Moscow's way of doing business, in no small part the result of successful, cohesive Western policies, were to be the cause of serious erosion of support for the Atlantic Alliance. Third, a realistic "vision" would elicit the support of publics throughout the Alliance, and public support will be crucial to continued Western security and well-being in the coming decade.

In this thoughtful Atlantic Council Occasional Paper, General Andrew Goodpaster, former SACEUR and now Chairman of the Atlantic Council, sets out such a vision and a plan for the mid-1990s—a realistic, practicable set of interrelated force goals that takes advantage of the new opportunities, indicates tests and consequences of their implementation, and offers constructive suggestions for a change in the nature of the militarized and confrontational relationship in today's international security environment. His recommendations are predicated on continuing verifiable demonstration of faithful implementation of initiatives announced by the Soviet leaders. His timely analysis and recommendations represent a major contribution to the process of developing a coherent Western strategy for dealing with the political and security challenges facing both West and East in the coming decade. It is called a "Consultative Report" because he and the Council are conducting a series of consultations with Allied policy makers and security experts in the coming months. In fact, a great deal of consultation on this report has already taken place, and General Goodpaster would be the first to admit that he has benefitted from the views and insights of colleagues and associates and to offer them his appreciation.

It is always a pleasure to thank the friends of the Atlantic Council and the Atlantic Alliance. As a national, bipartisan, nonprofit public policy organization, the Atlantic Council relies upon contributions of time, commitment, and funds to conduct analyses and policy studies on international issues and challenges that are deemed to be of vital interest to the United States and our friends and allies. We wish to thank the individuals who contributed both time and effort *pro bono* (as is our custom) in reviewing this Occasional Paper in roundtable discussions and individually. It is a pleasure as well to thank the foundations that have supported this and related Atlantic Council projects: the Andrew W. Mellon Foundation, the Pew Charitable Trusts, and the John D. and Catherine T. MacArthur Foundation.

George M. Seignious II
*President*

# GORBACHEV AND THE FUTURE OF EAST-WEST SECURITY: A RESPONSE FOR THE MID-TERM

## Introduction

If the new Soviet policy set out by General Secretary Gorbachev becomes a reality in fact, the whole security structure the world has known since mid-century becomes open to a series of major transforming changes, in which U.S. interests will be deeply and directly involved. While the long-term possibilities seem almost breathtaking, there are many questions to be confronted along the way. Accordingly, as we look to the future, while welcoming the possibility of a new and better ultimate era, there is reason to focus early attention on a closer-in period—a mid-term or intermediate stage, roughly the mid-1990s. The idea is not simply to await the millenium, but to tackle the issues closer at hand—and in the process probably hasten the longer-term changes. Over the whole period mid-term and longer-term, the aim should be prudently and progressively to reduce the degree to which the international security situation is militarized and confrontational.

### The Starting Point

A first task will be to clarify the starting point in a number of key respects. These matters should be the subject of negotiations and continuing dialogue between East and West beginning at once.

- It will be necessary to gain a fuller understanding of Gorbachev's announced unilateral changes—just when and where the reductions are to be made, whether there will be other, perhaps compensatory changes, and just what will be the tangible resulting changes in Soviet military capabilities—and in their implications to NATO.
- Means to verify the changes will be necessary. Here the INF Treaty provisions, together with those being negotiated in START, provide a useful lead, although conventional force verification raises new sets of complications. Exchanges of data, already proposed by the Warsaw Pact, should be undertaken as an early step, with verification by on-site inspection to reconcile differences.
- An indication of Soviet readiness to take further steps—whether unilaterally or through negotiation—will be a necessary forerunner to additional advances.

- At the level of high policy, reiteration and reassurance will be needed that the Soviet Union will be prepared to forego attempts at extension of Soviet control or hegemony over other countries—whether directly or through surrogates—by the use or the threat of force, including the imposition of dictatorial regimes and police-state controls.
- Progressively, further clarification and demonstration in fact of a modified role for Soviet armed forces will be essential steps in giving concrete meaning to "defensive defense" and "reasonable sufficiency," as well as the elimination of a capability for surprise invasion, with a resulting substantial increase in reliable "warning time."
- Especially for the United States and the USSR, careful review and subsequent consultation regarding the role of each side's strategic nuclear forces (hopefully, in a post-START environment) will be needed.
- It will be necessary to see and evaluate the Soviet handling of the nationalities issue within the Soviet Union; if they are facing instability at home, it may at least be questioned whether the Soviets will be ready and able to act constructively abroad.
- Similarly, Soviet relations with the nations of Eastern Europe will be important; a key question will be how these countries can become more independent *without* becoming hostile or constituting a perceived threat to Soviet security.* Here it should be possible for the West to take a constructive role—making clear that the yoke should be removed, but that conflict and violence are to be avoided.
- More fundamentally, it will be necessary to see whether East and West—and most importantly, the United States and the USSR—are prepared to conduct serious negotiations on the basis of "reciprocal respect for the other side's vital interests," in Henry Kissinger's term, and before that, ready to redefine downward some of the commitments and asserted goals now in conflict.

This is obviously an imposing—but not impossible—list of preliminary or prerequisite clarifications and undertakings. It will aid in their accomplishment to look ahead as far as possible to the kind of security arrangements toward which we should be aiming and working, i.e., to have in mind at least the main elements, and underlying considerations, that should shape our mid-term policies, deployments and programs.

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*In this regard, see the recently published Atlantic Council Occasional Paper, *Change in Eastern Europe: Soviet Interests and Western Opportunities*, by Karen Dawisha, with the assistance of Lincoln Gordon and John Kiser III.

### The Need for a Mid-Term Security "Vision"

The reasons for such an articulated plan and proposal are many, but the crucial need is to present to the public a prudent and credible set of goals, in order to build public confidence and maintain public support. Such confidence and support are essential both for the negotiating effort and for the maintenance of armed forces of size and posture suited to our security interests at each stage of changing East-West relations.

### Soviet Developments

In shaping such an appropriate mid-term security balance, key considerations include the following:

- Soviet policy and Soviet military power in combination—together with the threats they evoke and the Western responses to those threats—have been the paramount driving force in shaping the security structure that now exists, in which the United States has had a leading, indispensable role.

- The changes in Soviet policy that General Secretary Gorbachev has described can be truly historic in their implications. We should recognize their importance, but at the same time we must realize that Soviet leadership could again change its policy direction, possibly on short notice. Reasonable precautions against such a contingency will be appropriate at least through the mid-term or until physical changes make sudden major adverse reversions impractical. These considerations give added reason for proceeding by careful stages.

- Actual changes in Soviet military power and resulting capabilities offer a stronger indication than statements of intention. Here it should be noted, as General William Odom has recently pointed out, that military doctrine (the rigorous governing guidance in the Soviet Union covering military forces, roles and capabilities) in the Soviet Union has two aspects: the social-political aspect, defined and elaborated by Soviet political leadership; and the military-technical, which falls primarily to the General Staff of the armed forces. It will be necessary to observe and assess, so far as we are able, the effects of decisions at both levels. The Soviets (again as General Odom points out) have given primacy to building military forces in much of their economic development, and in much of their national policy. We must surely expect them to continue to provide for their security needs, as they perceive them. But the possibility of a lowered perception of what these needs really are is implicit in the Soviet "new thinking" and in the Gorbachev initiatives, which may of course also be based at least in part on the need to shift resources to the economic needs of *perestroika*.

- These new policies in fact imply major changes in Soviet military structure. In accordance with their two-part doctrine, the guiding policy can be expected to reflect the social-political aspect, as fashioned by the political leadership. If the implementation is then entrusted to the military-technical decisions of the General Staff, it will be necessary to observe just how, and how fully, the policy decisions are carried into practice at the level of military forces, programs and deployments.

- It seems at least a possibility that the recent Gorbachev initiative involving unilateral reductions went beyond the traditional division of responsibilities in specifying particular reductions by type of force and geographical disposition. In any case, his action in this instance may portend quite dynamic and decisive actions on his part with regard to further movement in the policy direction he has laid out. The next Soviet 5-year plan should provide further evidence in this regard.

- Some of the recent arms control negotiations may also suggest modified relationships between policy and program modifications. The "openness" with which the Soviets are discussing force levels and dispositions may have a positive effect on the speed and scope of future negotiations and should be encouraged.

- While it is true that no one can yet be sure how far this overall process will be able to go, it is also true that such progress as is in fact made can bring about an improved international security situation for all concerned, and establish a base for further efforts of improvement.

### Implications for U.S. and NATO Force Structures

One then has to ask what all this may mean for the United States, both as a fully participating member of NATO—and for NATO itself—and with regard to U.S. military activities elsewhere in the world, and at home.

- The questions that remain to be answered, and issues clarified, as well as the considerations yet to be evaluated and progress yet to be weighed, tell us that through the mid-term there will be strong security reasons for continuing the U.S. NATO military association, with substantial continuing U.S. participation. And there will of course be further reasons of a political nature—the sharing and mutual reinforcement of democratic values and traditions, for example, not to mention a wide range of common economic/financial interests—that also weigh in favor of continued association in a world that is still far from democratic, and is by no means committed to economic and financial policies and practices of the kinds on which the industrial democracies depend.

- General Secretary Gorbachev himself has offered asymmetrical reductions, to bring the Warsaw Pact and NATO to a condition of conventional (and presumably nuclear) parity. There can be little question that such parity would be in the security interest of the United States—viewed from the standpoint of what is good for America—just as it would be good for NATO as a whole. At least for ground and air elements, reductions to parity would seem to be in the interest of all concerned. For naval forces, special considerations must apply—notably, insofar as recognizing the special Western dependence on the Atlantic and Pacific sea-lanes for the support of U.S. commitments to and participation in collective defense in Europe and in the area of Japan-South Korea.
- The possibility of substantial force reductions *below* initial parity merits close and critical evaluation. If carefully conducted, such reduction even to the level for both sides of one-half of the forces of the side now with the smaller levels (NATO in most cases) could be advantageous to the security of each side. The remaining strengths would of course have to be reliably verified. And if such reductions are concentrated in force elements capable of deep-thrusting attacks (such as tanks, artillery, mechanized infantry vehicles, bridging engineers and the like), they could leave both sides still capable and confident of effective defense and, of course, internal security, without either having the ability to attempt a sudden deep invasion. There are, of course, such further issues to be considered as "force-to-space" ratios, but given increased warning from force deployments, and with skillful planning and leadership, there is no apparent reason why these cannot be managed.
- An important point to be noted—in both the East and the West—is that if such reductions are to be managed without destructive damage to force integrity and morale, they must be phased carefully and carried out over a considerable period of time—in the case of the United States at least, a number of years. Already we have seen statements by obviously concerned Soviet military officers emphasizing exactly this point on their side.
- Such reductions would offer a non-disruptive opportunity to redress the presently perceived disproportionate U.S. contribution to NATO. In fact there may be occasion to pass greater—perhaps primary—

responsibility to the European countries of NATO jointly to provide the military capabilities needed for their security, with the United States moving further (though possibly not completely) to a supporting role for its forces, such as was envisaged by General Eisenhower and others at NATO's beginning. Politically, these steps could and should be the occasion to define and declare a generally favorable U.S. policy toward European efforts to strengthen WEU and give it a significant military role. Depending upon the progress achieved by the WEU, it would be appropriate to negotiate its relationship to NATO and to the civilian and military structures of NATO. Within the United States, the prospect for negotiated substantial reductions and a greater European role and responsibility could and should be used to get beyond the present frustrations over NATO "burden-sharing," while avoiding premature or unilateral U.S. withdrawals, which could be damaging to NATO and which could reduce Soviet incentives to continue with asymmetrical reductions on their side, either through negotiation or further unilateral decisions.

### U.S. Reinforcement Capabilities

- There would remain a requirement for the United States to retain a substantial capability to provide conventional force reinforcements to Europe in case of threatened or actual attack. Such conventional capabilities are now and will remain a significant element in the overall deterrent on which stable security for the NATO countries depends. If U.S. forces should be reduced as a result of the Gorbachev initiatives, the response seems likely to include cutbacks in the deployed strengths in Europe. In that case, so long as the Soviet reductions leave a substantial reinforcing capability both forward of and behind the Urals, the retention of U.S. quick reinforcements in the United States—both ground and air—should have a high priority.

- In this manner, the U.S. would continue in the mid-term to provide a significant contribution to ground and air forces in Western Europe—a clear necessity at least until Soviet policy and military power have reached a point permitting further stages of prudent Western movement toward the kind of security environment and security relationships suggested in the statements of General Secretary Gorbachev. The exact levels for U.S. ground and air forces in Western Europe, as well as those available for reinforcement from the United States, would be a matter for further determination, as would possible arms control and confidence-building measures for naval forces.

### U.S. Nuclear Support

- Throughout this period, NATO should have the assured continued backing of a significant U.S. nuclear capability. Because of the extremely sensitive security implications inherent in the balance of nuclear forces, the strategic forces of the United States should not be inferior to those of the Soviet Union—and should retain a powerful retaliatory capability despite any attack that could be made against them. The specific types and numbers of U.S. tactical nuclear forces in Western Europe should be a matter for further, repeated determination as the "mid-term" proceeds.

### Needs in Other Areas

Outside the NATO area, the progress in U.S.-USSR relations will be heavily dependent on the course of U.S.-USSR regional negotiations, and in particular on reduction of Soviet support for regimes hostile to the United States. It should be noted in this regard, however, that U.S. military capabilities in many areas are shaped by a combination of needs, in which Soviet policy and power, while significant, are often no more important than indigenous disorder, and issues local or regional in nature.

- In Northeast Asia—the area of Japan and North Korea—maintaining a suitable balance of force vis-a-vis the Soviet Union retains its basic importance. The need is sharpened by the existence of outstanding issues between Japan and the USSR—specifically the status of the northern islands. Similarly, the antagonism of North Korea toward South Korea (though possibly showing some signs of softening, at least to a degree) provides convincing reason for retaining at least some U.S. forces in that area. In neither case do these U.S. forces appear to aggravate or prejudice U.S.-USSR relations.
- Elsewhere, U.S. military arrangements are dominated first by the need to assure free use of the seas and second, in regard to certain key U.S. interests (in Israel and the Persian Gulf area above all) by the need to protect what the U.S. regards as vital necessities, which in themselves should carry no provocation vis-à-vis the Soviet Union.
- It is in the regional problem areas—Nicaragua, Cuba, Ethiopia but perhaps not now Angola—that a conflict between U.S. interest and Soviet activities continues. Although there is little evident possibility of commitment of U.S. forces, for example in Nicaragua and Cuba, the existence of regimes hostile to the United States imposes requirements for military forces that would be able to offset or neutralize them. Such forces are needed in making provisions both for the deterrence—or if it should ever occur, the conduct—of war involving the major world powers.

In the aggregate, U.S. military deployments and posture in the non-NATO areas of the world will be influenced by the course of Soviet policy and the form and level of Soviet military power, but will be shaped to a substantial degree by local and regional issues and conditions. The prospects for force reductions are therefore limited. In general, U.S. forces disposed in these areas pose no threat to the Soviet Union itself. However, the issues raised by Soviet support for Cuba, Nicaragua and Ethiopia clearly restrict the scope of improvement in U.S.-USSR relations so long as that support continues.

### Mid-Term and Long-Term

Because the coming years may see an intense level of U.S. diplomatic activity and many foreign policy initiatives, it is essential that U.S. military power, in the aggregate, provide an adequate and carefully designed base of support. Against this need, the military forces proposed herein and the supporting defense establishment appear well-suited to the kind of continuing leadership role and responsibilities that will be appropriate for the U.S. through the mid-term. This consideration gives special weight to the selection of a mid-term target period for policy formulation and program decision—far enough ahead to permit major changes to be accomplished but not so far ahead as to lack definition. Even at mid-term, it must be recognized that while in many cases actual substantial changes can be made, in others only the initial steps can be accomplished, with full results requiring further years.

As we look to the more distant future, we should in any case take care to keep our options open for more far-reaching shifts as these can be defined and evaluated. The shifts to be considered involve changes in the respective roles of (and the reliance upon) each of the three basic providers of security and safeguarders of peaceful international order that will continue to be of the greatest importance:

—Regional groupings and alliances, such as NATO and communities such as the WEU

—Global institutions, such as those of the UN

—Unilateral defense capabilities of individual nations—ranging from the military establishments of the "superpowers" to those maintained by almost every nation to protect its own ultimate internal and external security.

### Policy Recommendations

On the basis of the foregoing analysis, it is possible to offer several policy recommendations:

1. As one of its earliest tasks, the new U.S. Administration should set forth its policy views, in constructive and prudent terms, on the reshaping of East-West security. The initial approach, while recognizing the ultimate possibility of still further advances, should concentrate on the timespan from the present to an intermediate or mid-term period that is far enough ahead to allow major concrete changes to be made in military forces, deployments, programs and doctrines, but not so far as to be dependent upon new international institutions and processes not yet conceived. The mid-1990s are suggested as a suitable target date for such mid-term planning.

2. The United States and NATO should give high priority to the development of an overall political-military security concept for the mid-1990s to guide negotiations with the Soviets as well as Western force planning for the interim period.

3. A framework should be created to set in clear context the various initiatives and actions to be pursued: negotiations, reciprocal and responsive measures, both collective and nation-by-nation, and where appropriate modifications in alliance doctrines and plans. A major purpose of this framework should be to build public understanding and support of the efforts of governments during a period which seems likely to be of profound and sometimes unsettling change.

4. Negotiations should include not only force reductions but changes in deployments and force structure (in particular, tanks, armored personnel carriers, artillery, bridging units and other elements providing a deep invasion capability). The present NATO proposal should be superseded as soon as possible by a more meaningful offer that addresses mid-term goals and objectives.

5. Should Soviet unilateral reductions or changes in structure and deployment permit, NATO countries should be prepared to carry out force modifications of their own to reduce the level and intensity of military confrontation in Europe. The possibility of unilateral Western reductions should be urgently studied in NATO.

6. Steps should be initiated as soon as possible to begin to provide for clarification and verification of measures announced or taken by nations of the East and the West to move toward the new security arrangements envisaged. The process should include, in addition to exchanges of views at the highest levels, a systematic and ongoing dialogue covering concrete issues at the diplomatic and technical level.

7. Continued U.S.-NATO military association should be envisioned through the mid-term, with substantial continuing U.S. participation. It should be recognized that organizational and procedural modalities may

need to be reviewed, and revised if appropriate to reflect changes in Soviet power and policy, and in the modalities of the Warsaw Pact.

8. A concrete proposal should be formulated, setting out the main elements of the mid-term objective military posture which should be the goal of both East and West, especially in negotiations for conventional force reductions in Europe. The following set of goals is proposed for consideration:

a. A radical restructuring of the forces of NATO and the Warsaw Pact, on the basis of parity, with total active forces on each side at no more than 50 percent of present NATO strength. Reductions should be carried out in phases and initiated at an early date. Concurrently, zones free of such weapons as tanks, self-propelled artillery, mechanized infantry vehicles, bridging engineers and the like should be established. In light of the geography of the area, the zones should be substantially deeper on the Pact side than on the Western side.

b. Continued U.S. force presence in Western Europe, land and air, but at no more than 50 percent of current levels.

c. A continued U.S. capability for reinforcement of Europe, keyed to Soviet reinforcement capabilities, with major forces for this purpose limited to no more than present levels.

d. At least through the mid-term, a substantial U.S. and U.S./NATO nuclear capability should be retained in Europe, the types and numbers of which should be recalculated periodically on the basis of changes in the conventional force balance and in Soviet nuclear forces capable of hitting targets in Western Europe.

e. U.S. strategic forces should maintain parity with those of the Soviet Union, and should be structured and postured so as to retain a powerful retaliatory capability despite any attack that could be made against them.

9. In the Far East, a suitable balance of force vis-à-vis the Soviets should be maintained, in order to safeguard a stable security equilibrium in the area, taking account of any changes in Soviet commitments and military deployments that occur. The strength of U.S. forces in Korea should be periodically reviewed with a view of making reductions when and as permitted by improvements in South Korean capabilities and in South Korean/North Korean relationships resulting in any easing of the threat from the North.

10. Elsewhere, U.S. forces and their deployments should reflect the need to assure free use of the seas, protect key U.S. interests (notably in Israel and the Persian Gulf area) and contribute to peaceful order. The

nature and level of Soviet activity will require careful attention, although U.S. commitments may be dominated by local and regional issues and needs. With regard to the regional problem areas such as Nicaragua, Cuba and Ethiopia, the United States should maintain military forces to offset or neutralize whatever threat they pose, both for deterrence and as might be required in case of a major war. A reduction in Soviet military assistance to such regimes could be reflected in corresponding changes in U.S. military posture.

11. Obviously, a multitude of collateral issues and problems, many of them quite difficult—such as the handling of sea-based cruise missiles, the treatment of ground and air reserves, etc.—will need to be confronted as this effort proceeds. If it is true, however, that the measures in the preceding paragraphs are the major *determinants* of the future military balance, it should be possible—given serious intent to reach a safer, more stable security situation—to devise safeguards and constraints that will keep them from preventing the attainment of the major goals.

12. In this regard, actions proposed should be clearly focused on the need to sustain public and parliamentary support *both* for a sequence of prudent, constructive actions responsive to such reduced international tensions as may result from the Gorbachev initiatives *and* for continuing military force levels and deployments adequate to safeguard security during what we may hope to be a progressively improving international situation. While action should be focused on the mid-term, the way should clearly and explicitly be kept open for further improvement in the state of international security. Such a dual-track policy seems especially difficult to pursue with steadiness in the Western democracies. It constitutes a critical challenge to top-level political and military leadership.

13. The United States should take the lead in presenting a proposal along the foregoing lines first to our friends and allies for thorough consultation and then bilaterally and multilaterally, as appropriate, to the Soviet Union.

Chairman NUNN. Thank you, General Goodpaster.

I think in the interest of hearing all the testimony before us that we proceed with our other witnesses and then come back to the panel for questions.

Mr. Karber, we are delighted to have you back before the committee today. You have done a tremendous amount of work in this area for years and have testified on that work before this committee a number of times. You have enlightened us with your previous analysis, and today will be no exception. Please proceed.

## STATEMENT OF PHILLIP A. KARBER, SENIOR VICE PRESIDENT, NATIONAL SECURITY PROGRAMS, BDM

Mr. KARBER. That is going to be hard to live up to, sir. You asked me to address two issues. One, an assessment of the Gorbachev unilateral reductions, and second, the Soviet proposal as tabled in Vienna, and to discuss the implications of those issues for the Western negotiating position.

This last week I was at a conference in Brussels with Ambassador Abshire, and what struck me in listening to the American delegates, primarily, although a number of Europeans also, is how little or poorly the Western CFE negotiating position or proposal is understood.

In fact, I would go so far as to say that 9 out of 10 people who are going around and criticizing it have not read it and do not truly comprehend what its significance is. That is my personal opinion.

So, if you will bear with me and turn to the first chart in my handout, I would like to spend just a couple of minutes describing what that proposal is, why I think it is truly militarily significant, and why it is not in either the American national interest or in the interest of the long-term arms control potential of the alliance to go around bad-mouthing the Western proposal.

# THE WEST HAS TABLED A GOOD CFE PROPOSAL IN VIENNA

- IT FOCUSES ON THE KEY OFFENSIVE WEAPONS DESIGNED TO SEIZE TERRITORY -- THE ONES THE WEST FINDS MOST THREATENING.
- IT CALLS FOR DEEP CUTS -- APPROXIMATELY 50% REDUCTION OF THE TOTAL QUANTITY OF TANKS, ARMORED TROOP CARRIERS, AND ARTILLERY OF BOTH SIDES DEPLOYED IN THE ATTU AREA.
- IT IS FAIR -- BASED ON PARITY -- EQUAL RESIDUAL LEVELS FOR BOTH SIDES.
- IT IS SAFE, VERIFIABLE, AND ITS COLLATERAL SUFFICIENCY, STATIONING, AND ZONAL RULES MAKE INHERENT COMMON SENSE.

## THE BIGGEST PROBLEM WITH THE NATO PROPOSAL IS THAT IT IS LESS POPULAR IN THE WEST THAN IN THE EAST

- MANY DO NOT UNDERSTAND IT -- FEW APPRECIATE ITS PROFOUND IMPLICATIONS FOR A STABLE AND PEACEFUL EUROPE.
- SOME ARE INTENTIONALLY TRYING TO EMASCULATE THE WESTERN PROPOSAL BEFORE WE HAVE EVEN HAD A CHANCE TO NEGOTIATE IT, LET ALONE CONSUMMATE IT.
- IRONICALLY, THE VERY PEOPLE WHO USED TO SAY "NATO'S PROPOSAL IS NON-NEGOTIABLE", ARE NOW SAYING "IT IS NOT AMBITIOUS ENOUGH".

NATO has essentially come up with six key concepts in this proposal. First it attempted to define what an offensive weapon system is and they have focused on three: tanks, artillery, and armored-troop carriers.

The West recognizes that those three systems are not the only offensive systems, but they are the three that worry us the most. Why? In part, because those three systems, when used as a combined arms force, offer the most direct means for someone trying to invade and seize our own territory.

In addition, there are gross disparities between the two sides in the quantities of those systems. So considering the inherent synergy between those three classes of weapons and the gross numerical inferiority on our part, there is merit in trying to focus on those as the element of control.

Second, the NATO proposal argues for deep cuts. Now those who say the proposal is not ambitious enough in that regard, that it does not go far enough, may be right. But they should not minimize how deep those cuts called for in the proposal actually are.

If the Warsaw Pact were to accept the NATO proposal, it would, in the European theater of operations between the Atlantic and the Urals, result in a reduction of 40,000 tanks, 33,000 tubes of artillery, and 56,000 armored troop carriers. If that does not seem significant, consider that it amounts to removing more than the entire force structure of NATO today.

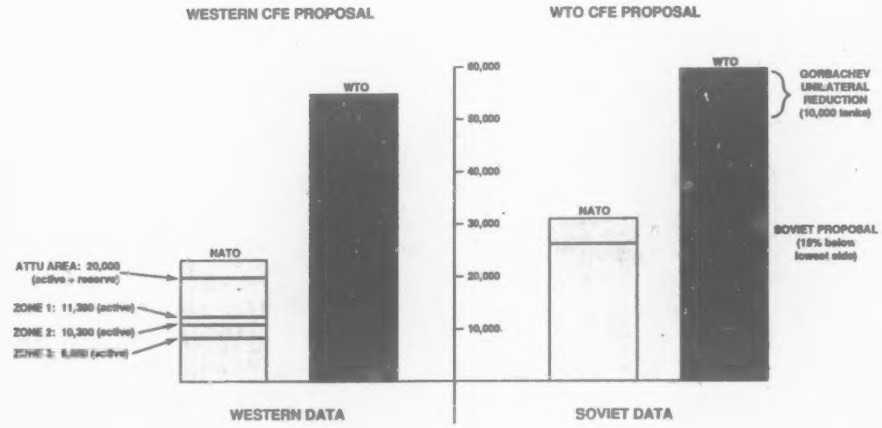
Now, there are some who say, "Well, NATO's proposal is not fair, then. The poor Soviets have to take a disproportionate cut in their forces to achieve those reductions."

Frankly, I do not have much sympathy for that argument, because it is the Soviets that forced us into a 40-year, more than $3 trillion arms race in building up those forces, and I do not see why we should have to pay twice. Once, in weaponry to meet them, and second, in our arms control proposal, to bring them down.

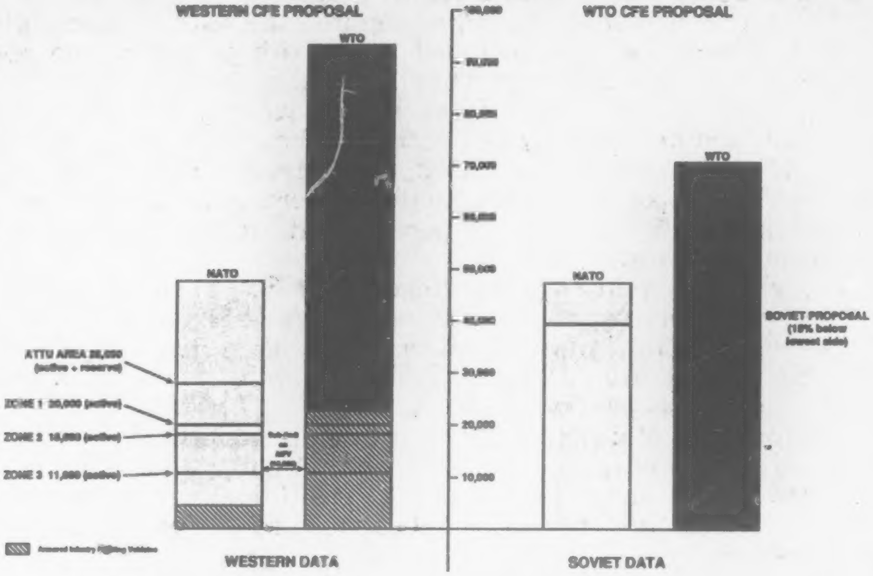
Now, NATO's proposal cuts are, in fact, very deep. There is an argument going around town which goes, the Warsaw Pact has a more ambitious proposal than does NATO because Shevardnadze, in his Vienna speech, said the Soviets would like 15 percent cuts. NATO only talks about, generally, 5 to 10 percent cuts below the side with the lowest level.

In point of fact, the Soviets are starting from a highly inflated data base with much higher numbers than the West. If you look at pages 4, 5 and 6 in the handout, you will see the comparison of the two sides. NATO's proposed cuts in tanks, artillery, and armored troop carriers will result in residual force levels substantially lower than those of the Warsaw Pact. The Soviets, therefore, do not have a more ambitious arms control proposal as it relates to offensive terrain-seizing weapons.

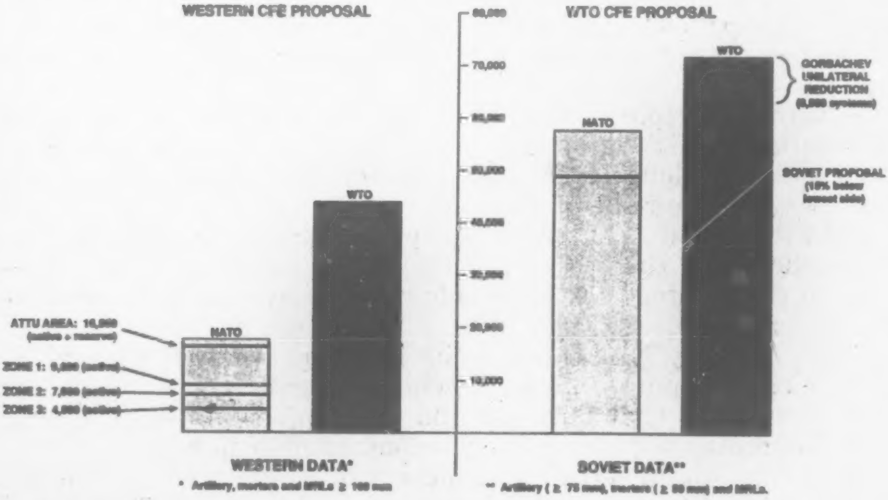
## COMPARATIVE IMPACT OF NATO AND WARSAW PACT ARMS CONTROL PROPOSALS ON MAIN BATTLE TANKS



## COMPARATIVE IMPACT OF NATO AND WARSAW PACT ARMS CONTROL PROPOSALS ON ARMORED TROOP CARRIERS



## COMPARATIVE IMPACT OF NATO AND WARSAW PACT ARMS CONTROL PROPOSALS ON ARTILLERY



Senator GORTON. Mr. Karber, you mean their cuts, the NATO cuts are greater, so that the resulting number is lower?

Mr. KARBER. That's right.

Senator GORTON. When you say their cuts are lower?

Mr. KARBER. Yes, sir.

Senator GORTON. Thank you.

Mr. **Karber**. The success of these negotiations in Vienna is going to be partly determined at a very minuscule level of detail; that is, defining what a weapon is, what a tank is, what the counting rules are, and how we are going to count things.

The way the Warsaw Pact has counted the data, for example, in the tank category, they included lots of things that we do not include in our tank category. They include light tanks; they include APC's. That inflates the number, so that when you apply a 15 percent cut, you are actually left with a higher residual level of tanks and armored vehicles than what would result from implementing the NATO proposal, strictly on the modern main battle tank and would be taking a 5 to 10 percent cut, from a much smaller number to begin with.

So, while the relative percentage of the Soviet cut is higher, the real number, both in terms of the numbers to be cut, and the numbers—which I find most significant—of the residual level left on the NATO side are substantially higher than the Warsaw Pact. I find very few people understand that.

On the issue of deep cuts, I want to emphasize that the two sides basically agree on the same philosophy. That is, the Warsaw Pact has essentially endorsed the NATO position. They agree that we should reduce, and that we should reduce to parity in major offensive systems.

The third point of agreement is that the reduction formula should be based on starting at the level of the side that has the lowest number, and then take some percentage reduction from that level.

To me, then, there is a significant agreement between the two sides, and it leads me to be relatively optimistic that if we can get some Western support for the Western position, we stand a reasonably good chance of having a negotiated agreement within the next several years.

A third principle of NATO's proposal that is very important to understand, which is by far one of the most complex achievements and took the longest in terms of intra-Alliance negotiations to achieve, was the issue of subzones.

NATO argued that the principle of parity should be applied throughout the theater in the major categories of offensive weapons. In these categories, each side should have the same amount as the other.

Now, the way NATO got to its numbers was not through some phony bookkeeping approach, which essentially taking the numbers of weapons that they had and the numbers of weapons that we had, combining them and cutting that number in half.

Now that would certainly achieve a drastic cut within the Atlantic to the Urals region. However, one side or the other could, in fact, have applied the reductions in such a manner of distribution that both in peacetime and during a crisis redeployment potential of its residual forces would have posed a danger of a large-scale offensive against the weaker position of the opponent.

NATO does not have interior lines of communications; there is very little probability that we could get Turkish troops to defend Norway, or be able to sustain them if we could. But the other side's ability to bring its force to bear at a point of its choosing is an issue that concerned NATO.

We argued, then, that there should be a series of subzones, radiating out from Central Europe, in which parity would also be applied.

So we essentially have four overlapping zones: A central zone in Central Europe, in which we would argue for a given ceiling; a zone covering the immediate reinforcing areas, where we saw the classic Soviet 90-division threat capable of being generated against NATO in 3 to 4 weeks; a strategic reserve area, going back to the Moscow, Ural and Volga military districts on their side and back to Portugal and Spain on ours; and, then, the whole Atlantic to the Urals.

Now, this concept of zones is extremely important. Having these subzones greatly facilitates verification, because you have calibrated the numbers of allowed residual weaponry inside specific zones. It makes it a lot easier to accurately perform the number counting portion of a verification regime.

Second, by having these sets of zones, if a side begins to mobilize, it is violating an arms control agreement at the beginning, not by necessarily bringing in more forces from outside the Atlantic to the Urals area, but by redistributing forces among these zones. That tends to increase our inherent warning time and the ability for us to have a decisive political reaction to that warning.

So it seems to me that it is an extremely important principle that NATO has spent a lot of time working out. In fact, Mr. Chairman, I might add that the American negotiators in Vienna and in Brussels, Steve Ledogar and Alton Keel, in my view, deserve a Congressional Medal of Honor for carrying the weight of American interest in these long and very difficult negotiations. Frequently, and particularly at the end of the last administration, they were backstopped and undercut, even within their own Government. The difficulty of trying to pull together this Alliance agreement, particularly on this extremely contentious area of subzones, was carried off by some extremely able diplomats. It was not easy, and they did a superb job. The process may not have produced the best possible NATO proposal, but what we have is extremely good, and I think pages 10 through 12 show why.

NATO CFE PROPOSAL...

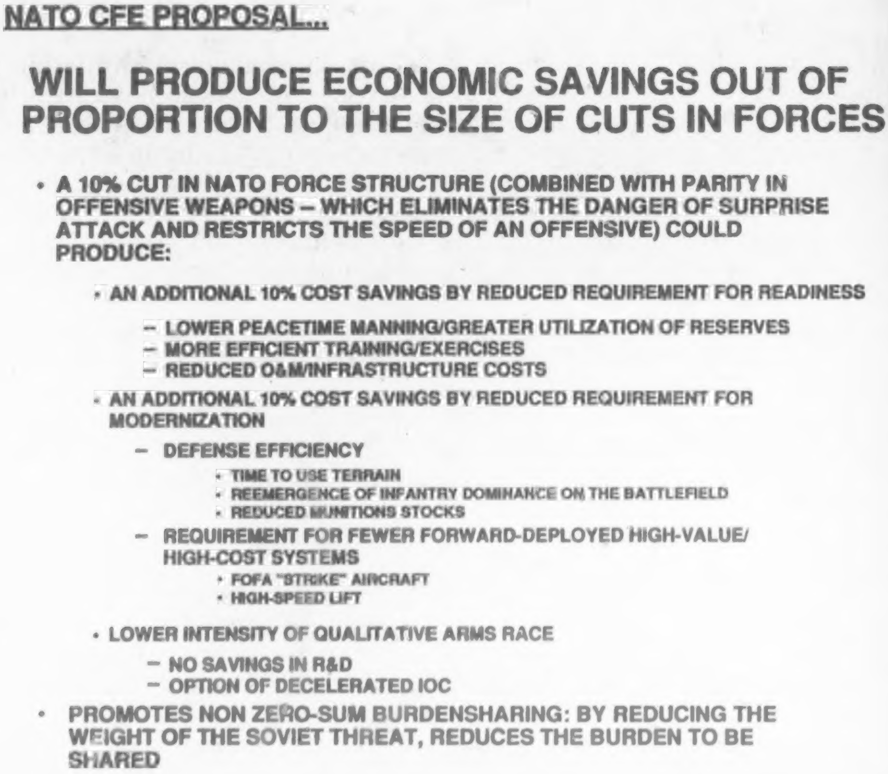
## WILL PRODUCE A STABLE MILITARY BALANCE

- NO INCENTIVE FOR PREEMPTION (SURPRISE ATTACK)
  - VERY HIGH RISK FOR THE ATTACKER
  - LOSE MORE IN FORCES THAN GAIN IN TERRITORY
  - VERY LOW-SPEED OFFENSIVE: TURNS "BLITZKRIEG" INTO "SITZKRIEG"
- AN OFFENSIVE WILL ALWAYS BE POSSIBLE *BUT* PARITY IN OFFENSIVE WEAPONS IN THE ATTU MEANS:
  - DIFFICULTY OF MASSING WITHOUT DENUDING OTHER FRONTS
  - TAKES 3-TO-4 TIMES AS LONG FOR FORCE GENERATION
  - GIVES DEFENDER CLEAR, UNAMBIGUOUS WARNING AND TIME TO OFFSET WITH TERRAIN PREPARATION, RESERVE MOBILIZATION AND TRANSATLANTIC REINFORCEMENT
- ACHIEVEMENT OF PARITY IN OFFENSIVE WEAPONS IS A "NEW BALL GAME"
  - WILL REDUCE WESTERN SENSITIVITY TO NEGOTIATING CONSTRAINTS ON OTHER WEAPONRY
    - -- REDUCED REQUIREMENT FOR "STRIKE AVIATION"
    - -- LESS DEPENDENCE ON HIGH-SPEED SLOC
    - -- LESS NEED FOR NUKES AS AN OFFSET TO CONVENTIONAL INFERIORITY
  - REDUCES PACE, INTENSITY, AND DANGER OF A QUALITATIVE ARMS RACE
  - OPENS UP OPPORTUNITY FOR A WIDE RANGE OF CONFIDENCE-BUILDING MEASURES

NATO CFE PROPOSAL...

## WILL PROVIDE UNPRECEDENTED DIPLOMATIC OPPORTUNITIES

- PARITY IN OFFENSIVE WEAPONS REMOVES THE CONVENTIONAL MILITARY CONFRONTATION BETWEEN EAST AND WEST FROM CENTER STAGE
  - ALLOWS WESTERN EUROPE TO TAKE ON GREATER RESPONSIBILITY FOR ITS OWN SECURITY BY CONSTRAINING SOVIET DOMINANCE IN CONVENTIONAL MILITARY POWER
  - ENCOURAGES GREATER EAST EUROPEAN POLITICAL AND ECONOMIC INDEPENDENCE FROM USSR AND GREATER INTERACTION WITH WESTERN EUROPE
  - PROVIDES A MUTUALLY AGREED FRAMEWORK FOR FURTHER NEGOTIATIONS
    - – "HEALING THE DIVISION OF EUROPE"
    - – FURTHER REDUCTION OF SUPERPOWER PRESENCE IN EUROPE
    - – REDUCED DEPENDENCE ON NUCLEAR WEAPONS
- THE "PARITY PRINCIPLE" AS APPLIED BY NATO TO CONVENTIONAL ARMS CONTROL -- IF WELL ARTICULATED -- WILL GENERATE THE POPULAR SUPPORT IT NEEDS FOR ITS OWN SUCCESS BECAUSE IT IS
  - PUBLICLY COMPREHENSIBLE
  - POLITICALLY COMPELLING
  - AND, BY REMOVING 40 YEARS OF WESTERN INSECURITY AND INFERIORITY, OPENS UP NEW DIRECTIONS FOR CREATIVE THINKING
- THE NATO CFE PROPOSAL CANNOT BE BLAMED FOR THE LACK OF WESTERN LONG-TERM STRATEGIC VISION -- HOWEVER, ITS SUCCESS IS INDISPENSABLE FOR IT



**NATO CFE PROPOSAL...**

## WILL PRODUCE ECONOMIC SAVINGS OUT OF PROPORTION TO THE SIZE OF CUTS IN FORCES

- A 10% CUT IN NATO FORCE STRUCTURE (COMBINED WITH PARITY IN OFFENSIVE WEAPONS – WHICH ELIMINATES THE DANGER OF SURPRISE ATTACK AND RESTRICTS THE SPEED OF AN OFFENSIVE) COULD PRODUCE:
  - AN ADDITIONAL 10% COST SAVINGS BY REDUCED REQUIREMENT FOR READINESS
    - LOWER PEACETIME MANNING/GREATER UTILIZATION OF RESERVES
    - MORE EFFICIENT TRAINING/EXERCISES
    - REDUCED O&M/INFRASTRUCTURE COSTS
  - AN ADDITIONAL 10% COST SAVINGS BY REDUCED REQUIREMENT FOR MODERNIZATION
    - DEFENSE EFFICIENCY
      - TIME TO USE TERRAIN
      - REEMERGENCE OF INFANTRY DOMINANCE ON THE BATTLEFIELD
      - REDUCED MUNITIONS STOCKS
    - REQUIREMENT FOR FEWER FORWARD-DEPLOYED HIGH-VALUE/HIGH-COST SYSTEMS
      - FOFA "STRIKE" AIRCRAFT
      - HIGH-SPEED LIFT
  - LOWER INTENSITY OF QUALITATIVE ARMS RACE
    - NO SAVINGS IN R&D
    - OPTION OF DECELERATED IOC
- PROMOTES NON ZERO-SUM BURDENSHARING: BY REDUCING THE WEIGHT OF THE SOVIET THREAT, REDUCES THE BURDEN TO BE SHARED

NATO also argued two other principles in its proposal. And I think both of them make inherent common sense. One is called the sufficiency principle; that is the argument that a country should have enough assets to be able to defend itself, but not such an overwhelming amount that it would threaten somebody else.

Today, if you take both sides, total tank inventory, the Soviet Union has 56 percent of the tanks located in the European theater, west of the Urals.

NATO's argument is that they should not have—in fact, no single nation should have—more than about 30 percent of the total number.

One can argue, maybe that ought to be 28 percent. Maybe it could be 32, but the general principle, that one single nation should not have a disproportionate amount of all the remaining assets, is to me very sound.

The last principle that NATO has argued is addressed by the so-called stationing rule. Again, the Soviet Union, with its forces in Eastern Europe today, has a disproportionately high amount of forces deployed in Europe, four times more than any other country in the three categories of offensive weapons.

It is very important in an arms control agreement not to legitimize the stationing of forces in countries that do not want allies stationed in their country, and it is very important to try and get that level of stationed forces down.

Now, with that framework, how do the events of the Gorbachev unilateral reductions and the Soviet proposal look in comparison to the NATO proposal?

First, what was surprising about Gorbachev's reduction announcement was that it was very atypical of classic Soviet unilateral actions. They have had a number of unilateral cuts in the past; most significantly in the Khrushchev period, which interestingly were, in manpower and number of divisions, higher than what Gorbachev has announced to date. But they did not last, and in fact, there was a lot of doubt at the time whether they were truly carried out. And they were very ambiguous in telling us what it was they were about.

Gorbachev has not been ambiguous. In fact, he has been most specific where Soviet forces threatened us most; that is, in Central Europe.

For example, he said he wanted to pull out six tank divisions and 5,000 main battle tanks. He has identified which specific divisions are going out; he has identified where the tanks that are being withdrawn are located in Central Europe.

The East European countries have also been very specific about dropping their own force levels.

However, while there has been a militarily significant cut announced by Gorbachev, as of today, none of those forces have begun moving yet. Ostensibly, they will start redeploying around April 15, and about half of the announced cuts from Eastern Europe will be moved out in 1989, the other half by the end of 1990.

But as we sit, there have been no withdrawals yet. If they do those withdrawals, as they have given us a very calibrated ruler by which to measure the honesty of them, it will be a significant change in the military posture in Central Europe, and for a change for the good. To give some measure of what the size and significance of those cuts are, Gorbachev will be reducing more forces in Central Europe than are in the entire active U.S. 7th Army currently deployed in Germany.

Or, as another measure, he will be reducing 20 percent more than would have been pulled out under the West's most ambitious MBFR proposal that we tabled in Vienna in the late 1970s.

Let me give you a further measure. Frankly, I do not think the numbers contained in the Gorbachev cuts, Mr. Chairman, are accidental. Several years ago, you proposed a significant cut in United States-Soviet forces, identifying the big problem as Soviet tanks, and that their tank inventory ought to be cut in half. In fact, the number in your proposal would have been 5,300 tanks, and in fact, Gorbachev's announced cut is 5,300 tanks being withdrawn.

Chairman NUNN. I should have made a stronger demand. [Laughter.]

Mr. KARBER. Those reductions are, indeed, very significant.

Senator Levin, last year, produced a report in which he calibrated the tank strength between NATO and the Warsaw Pact across various parameters back from the border, 100 kilometers on each side, for example. Typically, against our most vulnerable sector, the Warsaw Pact had, within 100 kilometers of the border, a force ratio in modern main battle tanks of 2.5 to 1.

If the Soviets implement the reductions that they have said, and take the cuts where they have told us they are going to take them, that force ratio will drop to 1.3 to 1. Within a 200-kilometer swath on each side of the border, the force ratio, from the Baltic to the Bavarian Alps, will be down to less than a 1.1 to 1 force ratio in Central Europe. That is a massive, militarily significant change in the peacetime posture.

Now, regarding reductions in the interior of the Soviet Union, Gorbachev's announcement of his 500,000 man cut, only 50,000 of which are to come out of Eastern Europe, is much more ambiguous. It is not clear where he is taking the rest of that manpower from. He has announced an additional 5,000 tanks are going to be withdrawing. He has not told us how or where those tanks are going to be withdrawn.

He has announced a reduction of 8,500 tubes of artillery. The most I can account for in the forward area is about 1,000 of them. I cannot find, or cannot figure out where the other 7,000 are coming from.

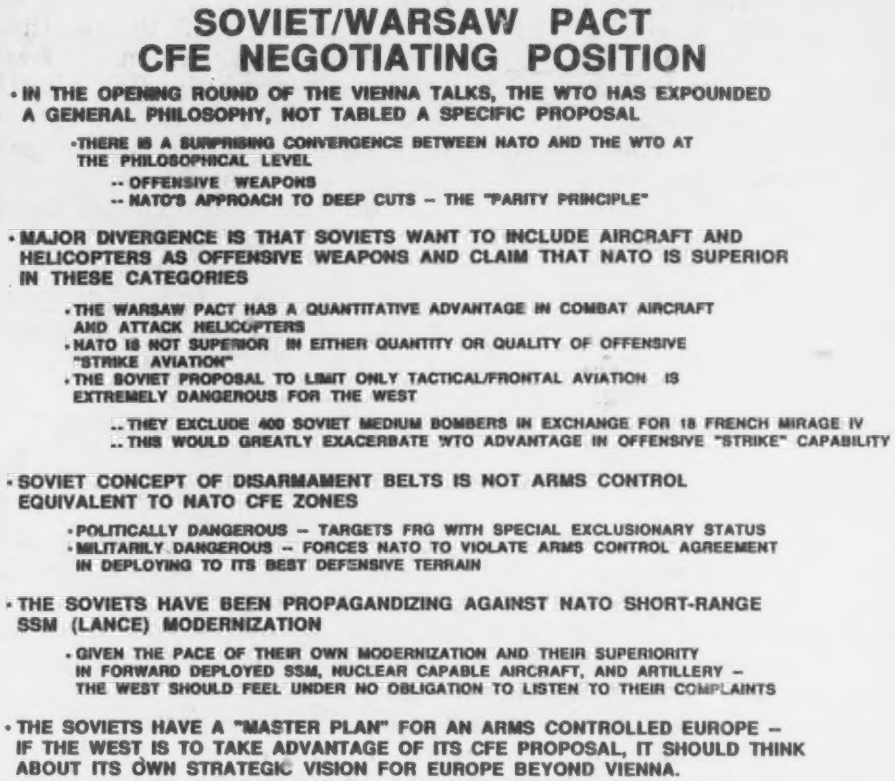
Thus, even though these are some very dramatic, large numbers that he has announced, there is much ambiguity beyond the plan for reductions in the forward area. In terms of the rest of the reductions, there is a lot less clarity, a lot less information with which we can calibrate the cuts, and feel confident that they have been made and made well and honestly.

It seems to me that the upshot of both of those reductions is twofold. It ought to increase our own commitment to the Western conventional arms control proposal that we have posited in Vienna. The unilateral militarily significant reductions that are planned to be taken in Central Europe need to be codified, because what is unilaterally done can be unilaterally undone. We need the security in the sense of mutually understanding what those residual force levels are, so that then we have the opportunity, when those reductions have taken place, to react to them in the context of with potential force changes of our own.

Second, there will still be a very large Soviet conventional military threat, west of the Urals, after the Gorbachev reductions. He can replace the weapons that were cut in less than 4 years of current equipment production rates for tanks, artillery, and armored troop carriers.

The points reinforce, not undercut, the significance of NATO's conventional arms control proposal, in my view.

Now, I would ask you to turn, Mr. Chairman, to page 35 the Soviet proposal. In fact, calling it a proposal is a misnomer. What they have provided in Vienna to date essentially is a statement of philosophical principles. They have not provided any specific recommendations for cuts, at even the detail or level of NATO's. Rather, they have raised some general questions.



## SOVIET/WARSAW PACT CFE NEGOTIATING POSITION

- IN THE OPENING ROUND OF THE VIENNA TALKS, THE WTO HAS EXPOUNDED A GENERAL PHILOSOPHY, NOT TABLED A SPECIFIC PROPOSAL
  - THERE IS A SURPRISING CONVERGENCE BETWEEN NATO AND THE WTO AT THE PHILOSOPHICAL LEVEL
    - -- OFFENSIVE WEAPONS
    - -- NATO'S APPROACH TO DEEP CUTS – THE "PARITY PRINCIPLE"
- MAJOR DIVERGENCE IS THAT SOVIETS WANT TO INCLUDE AIRCRAFT AND HELICOPTERS AS OFFENSIVE WEAPONS AND CLAIM THAT NATO IS SUPERIOR IN THESE CATEGORIES
  - THE WARSAW PACT HAS A QUANTITATIVE ADVANTAGE IN COMBAT AIRCRAFT AND ATTACK HELICOPTERS
  - NATO IS NOT SUPERIOR IN EITHER QUANTITY OR QUALITY OF OFFENSIVE "STRIKE AVIATION"
  - THE SOVIET PROPOSAL TO LIMIT ONLY TACTICAL/FRONTAL AVIATION IS EXTREMELY DANGEROUS FOR THE WEST
    - .. THEY EXCLUDE 400 SOVIET MEDIUM BOMBERS IN EXCHANGE FOR 18 FRENCH MIRAGE IV
    - .. THIS WOULD GREATLY EXACERBATE WTO ADVANTAGE IN OFFENSIVE "STRIKE" CAPABILITY
- SOVIET CONCEPT OF DISARMAMENT BELTS IS NOT ARMS CONTROL EQUIVALENT TO NATO CFE ZONES
  - POLITICALLY DANGEROUS – TARGETS FRG WITH SPECIAL EXCLUSIONARY STATUS
  - MILITARILY DANGEROUS – FORCES NATO TO VIOLATE ARMS CONTROL AGREEMENT IN DEPLOYING TO ITS BEST DEFENSIVE TERRAIN
- THE SOVIETS HAVE BEEN PROPAGANDIZING AGAINST NATO SHORT-RANGE SSM (LANCE) MODERNIZATION
  - GIVEN THE PACE OF THEIR OWN MODERNIZATION AND THEIR SUPERIORITY IN FORWARD DEPLOYED SSM, NUCLEAR CAPABLE AIRCRAFT, AND ARTILLERY – THE WEST SHOULD FEEL UNDER NO OBLIGATION TO LISTEN TO THEIR COMPLAINTS
- THE SOVIETS HAVE A "MASTER PLAN" FOR AN ARMS CONTROLLED EUROPE – IF THE WEST IS TO TAKE ADVANTAGE OF ITS CFE PROPOSAL, IT SHOULD THINK ABOUT ITS OWN STRATEGIC VISION FOR EUROPE BEYOND VIENNA.

Some of those general questions, or general principles, I think, are very heartening. They are no longer denying that they need to make deep cuts to come to equal parity at the side with the lowest number. They generally recognize that NATO has the lowest amount of ground-seizing offensive weaponry. Probably the biggest and most positive aspect of the Soviet stance is how close their Vienna position is to the Western position.

The second point I would make is that there are, however, several elements of their negotiating position that we need to be fairly critical of.

One is their argument which goes, "Fine, we are all in favor of including tanks and artillery and armored troop carriers if you feel threatened by our advantage in those. But we feel threatened by your tactical air, and we want tactical aircraft and tactical helicopters included."

Now I think that is a very legitimate position for them to take. Vienna ought to be an exercise in each side conveying, not what they think is negotiable, but what they feel really concerns them.

What is dangerous or bad about the Soviet effort to include tactical air is that they appear convinced and have argued that there is a very significant Western quantitative advantage in tactical air.

I have provided in the handout that I have brought with me a breakout of tactical air forces by weapon, by aircraft type, by geography, and by a number of qualitative indicators, including range payload.

Let me summarize that by saying the Soviets are perpetrating a myth. There is no Western quantitative advantage in total number of combat aircraft in the European theater. There is no Western quantitative or qualitative advantage in the number of strike aviation assets that is, aircraft that can launch deep attacks.

Generally, plane for plane, our aircraft are qualitatively superior, particularly our multi-role fighter bombers.

On the other hand, the Soviets have 400 medium theater bombers which provide an enormous offensive strike potential for which the West has no complement.

Now, what is dangerous about their proposal in Vienna is that they have argued, "Let us get control of the tactical aviation, but ignore the bombers." They want to exclude the very weapons that give them their greatest range/payload advantage and their significant potential to attack our theater targets.

By the way, politically, their argument is extremely sophisticated. They know that France is very worried about having French aircraft on the block for negotiations, particularly the Mirage IVs, which are a part of the French nuclear strategic deterrent.

So the Soviets have said, "No problem. We do not want to make you French feel uncomfortable. So, in exchange for leaving your 18 Mirage IVs off the block, we are going to leave 400 of our theater bombers off the block." The Soviet approach, then puts the internal contradictions and conflicts between us and the French, because there is no way we should include tactical aviation in an agreement that does not include those Soviet bombers.

This should easily poke a hole in the simplistic argument that I have heard used which goes "Well, we are not being fair by ignoring air. In the Western proposal, we ought to just accept the Soviet argument, and include air."

I am not arguing that we should not think about putting air in, but we should be aware that doing so will require us to avoid some enormous land mines, and we must understand that the Soviet proposal is extremely disingenuous.

Now, the Soviets have also argued for sets of disarmament belts. General Goodpaster referenced them. I want to point out that their concept of such belts to the extent we understand them, does not allow for asymmetries in the width of the belt between the two sides.

General Goodpaster, I believe, referred to a disarmament belt on their side of the border that might be 100 kilometers wide or twice what ours would be.

The Soviets have said, "No way. We are not going to give you any credit for having a shallower theater of operations. Any rules that come out of a negotiation or discussion in Vienna, are going to be equally applied."

Now, in any case, I personally believe these belts are an extremely dangerous and dumb idea. First of all, from the Soviet perspective, they are essentially designed to create a special, exclusionary zone, focused on the most sensitive NATO ally we have, and that is West Germany.

No one has talked about putting these belts in north Norway, or in Thrace, or Turkish Anatolia. The reason is because these belts would not make any sense there, because the operational regime is so narrow that one could not use them.

So there is only one place they are going to be applied, and that is in West Germany. An inherent military misconception is at the bottom of the concept of disarmament belts. A modern, combined-arms mechanized ground force can cross 150 kilometers in approximately one night's road march—administrative road march. That is, starting from dusk, they have the potential of moving through their disarmament zone, and through ours, before we could even get our covering force into position.

Deciding to get into our own covering force and main defense positions in response to a feared attack would put us in the position of violating an arms control agreement. Moreover, the belts would cover the area where we have the most terrain—the most favorable, defensive terrain.

I would argue there is an inherent contradiction between these belt concepts and the idea of deep cuts the order of 50 percent on the NATO side, because you do not have enough force to do both. That is, you cannot take a 50 percent cut, and then stretch your force, man for man, along this border belt, and have any tactical—let alone an operational—reserve.

So this belt concept is inherently contradictory to a concept of deep 50 percent cuts. There are a number of reasons I would argue that it ought to be an absolutely, non-negotiable position. We should not attempt to try and negotiate on the basis of it. I believe it is designed intentionally by the Soviets and being fielded at Vienna to try and split the Allies politically, where we are potentially most vulnerable.

The Soviets have also been trying, collateral with the Vienna negotiations, to make essentially a claim of bad faith on the part of the West. They say, "Here we are making these reductions, here we are coming into Vienna to talk arms control, and what are you doing? You are off trying to modernize the Lance."

On that point I have included some charts at the end of the handout, pages 45, 46 and 47. I would ask you, Mr. Chairman, just to look at the map on page 47.

# CFE AND BATTLEFIELD/TACTICAL NUCLEAR MODERNIZATION

- THE SOVIETS HAVE ARGUED THAT US/NATO R&D PLANS TO DEVELOP AN OPTION FOR A FOLLOW-ON TO LANCE IS EVIDENCE OF "BAD FAITH" IN THE WEST GIVEN THAT THE WTO HAS ANNOUNCED THE CONVENTIONAL UNILATERAL REDUCTIONS AND A MORATORIUM ON TACTICAL NUCLEAR MODERNIZATION

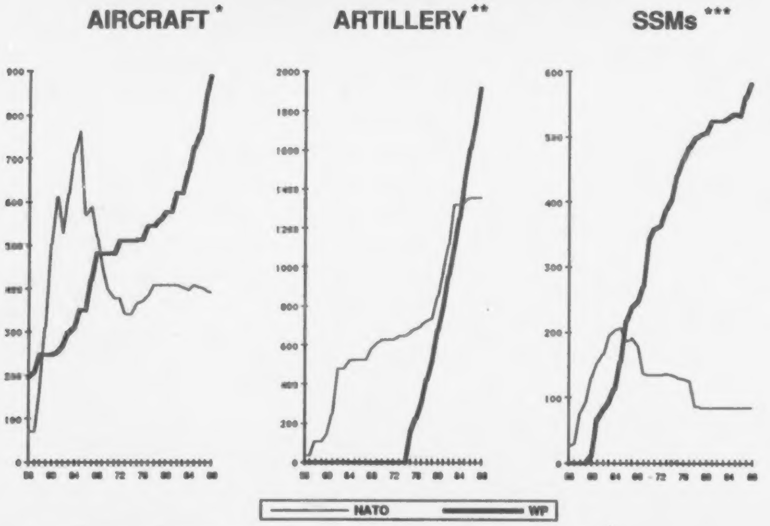
- GORBACHEV APPEARS TO BE HONESTLY COMMITTED TO THE OBJECTIVE OF A DENUCLEARIZED WORLD BY THE YEAR 2000 -- EITHER HE IS BEING DELIBERATELY DISINGENUOUS OR IS BEING DECEIVED

- EXPANSION AND MODERNIZATION OF SOVIET/WTO BATTLEFIELD/TACTICAL NUCLEAR ASSETS IN CENTRAL EUROPE HAS GREATLY INCREASED OVER THE LAST DECADE
  - 163% INCREASE IN NUCLEAR-CAPABLE STRIKE AIRCRAFT
  - 392% INCREASE IN NUCLEAR-CAPABLE ARTILLERY
  - 17% INCREASE IN SURFACE-TO-SURFACE MISSILES
    - WITH 81%OF THE SSM FORCE MODERNIZED WITH SS-21 AND SCUD B

- DESPITE SOVIET CLAIMS TO THE CONTRARY BATTLEFIELD/TACTICAL NUCLEAR MODERNIZATION IS CONTINUING
  - CONTINUED SS-21 ENTRY INTO EAST EUROPEAN FORCES
  - ACCELERATED INTRODUCTION OF NUCLEAR-CAPABLE ARTILLERY INTO SOVIET AND EAST EUROPEAN FORCES
  - INTRODUCTION OF EXTENDED RANGE SCUD/AIR-TO-SURFACE STANDOFF MISSILE
  - INDICATIONS OF ADVANCED TACTICAL NUCLEAR WARHEAD DESIGN (ENHANCED RADIATION)

## THE WARSAW PACT HAS RADICALLY CHANGED THE BATTLEFIELD/TACTICAL NUCLEAR BALANCE IN CENTRAL EUROPE OVER THE PAST 10 YEARS

(NUCLEAR-CAPABLE ASSETS IN CENTRAL EUROPE)

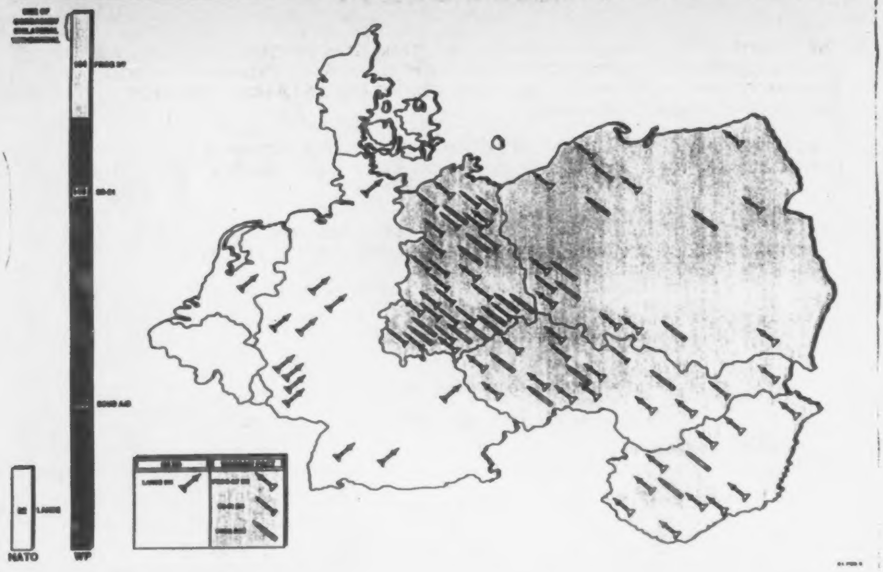


* NATO EQUALS NUCLEAR-ASSIGNED; WTO EQUALS NUCLEAR-CAPABLE IN GROUND ATTACK REGIMENTS.

** NATO EQUALS NUCLEAR-CERTIFIED DAVY CROCKETT, 155 mm and 203 mm; WTO EQUALS SP 152 mm, SP 203 mm, and SP 240 mm MORTAR.

*** BATTLEFIELD/SHORT-RANGE SYSTEMS: NATO - - HONEST JOHN, SERGEANT, LACROSSE, LITTLE JOHN, LANCE; WTO - - FROG 1-7, SCUD A/B, SS-21.

CENTRAL REGION POST-INF NUCLEAR-CAPABLE LAUNCHERS



The Soviets have launched the largest expansion program in nuclear artillery, nuclear-capable aircraft, and surface-to-surface missiles in Central Europe that we have ever seen there.

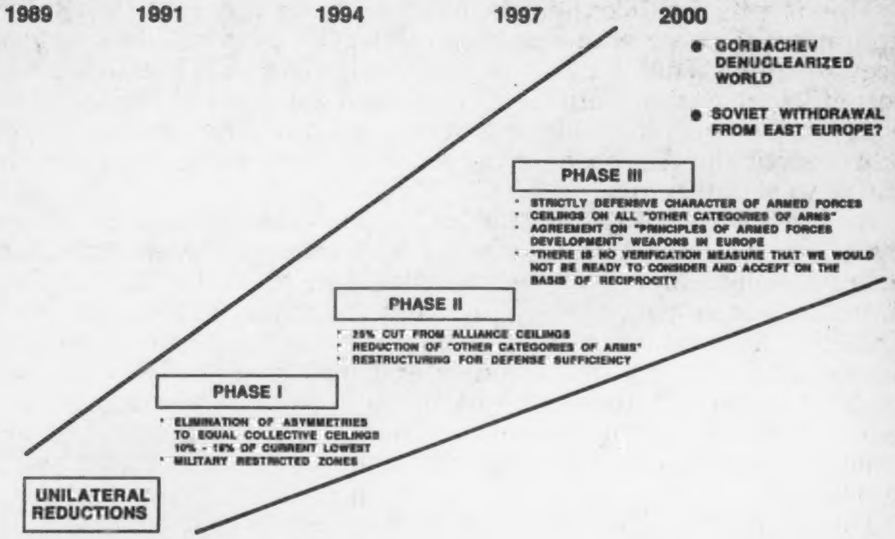
They have a 540 to 82 advantage in surface-to-surface missiles in Central Europe. They have more new SS–21s deployed just in Central Europe than we have in our entire Lance inventory.

They have more modernized Scud Bs than we have Lance not to mention a number of older systems.

It is extremely disingenuous of them—and in my view, they have no right—to lecture us about nuclear modernization when the imbalance is that great, and their own modernization programs appear to be, in contrast to their claims, continuing.

Now, the last comment I would like to make is in terms of the Soviet proposal. I think there is—I use it in quotes—a Soviet master plan. Just turn to page 36. I put it in quotes because I am exaggerating somewhat.

## SOVIET "MASTER PLAN" FOR EUROPEAN ARMS CONTROL


1989
1991
1994
1997
2000
● GORBACHEV DENUCLEARIZED WORLD
● SOVIET WITHDRAWAL FROM EAST EUROPE?
PHASE III
• STRICTLY DEFENSIVE CHARACTER OF ARMED FORCES
• CEILINGS ON ALL "OTHER CATEGORIES OF ARMS"
• AGREEMENT ON "PRINCIPLES OF ARMED FORCES DEVELOPMENT" WEAPONS IN EUROPE
• "THERE IS NO VERIFICATION MEASURE THAT WE WOULD NOT BE READY TO CONSIDER AND ACCEPT ON THE BASIS OF RECIPROCITY
PHASE II
• 25% CUT FROM ALLIANCE CEILINGS
• REDUCTION OF "OTHER CATEGORIES OF ARMS"
• RESTRUCTURING FOR DEFENSE SUFFICIENCY
PHASE I
• ELIMINATION OF ASYMMETRIES TO EQUAL COLLECTIVE CEILINGS 10% - 15% OF CURRENT LOWEST
• MILITARY RESTRICTED ZONES
UNILATERAL REDUCTIONS

But I think the Soviets have a concept of where it is they want to go, particularly in terms of European security. And they have nicely timed their own reductions, which is their version of phase 1, and then a 3-year plan between 1991 and 1994 for phase 1 in Vienna, and then another 3-year phase 2, and so forth, ending in essentially a denuclearized posture on the Continent.

I share General Goodpaster's concern that we in the West have essentially only thought through our first stage. I do not share this to the extent that it is a criticism of the current proposal, because I think that the current proposal, whether or not we have thought through the next step, will give us an eye-watering change in the military situation in Europe, if we can get it.

The NATO proposal, if mutually agreed by the other side, will produce an incredibly stable military balance, the likes of which we have never seen in 40 years. It will give us enormous opportunity and incredible diplomatic flexibility on our side because of the stationing rule, its inherent limiting of Soviet access to Eastern Europe.

It saves us a lot more money than we really think. A 10-percent cut in force structure, as one could infer from the NATO proposal, acutally can equate to much larger economic savings in terms of your defense.

The NATO proposal makes good sense militarily and strategically. It does not push our arms control regime down past the level of our own ambiguity or uncertainty. That is, to the extent that we take a 10-percent cut in force structure, and we look across the border and they have also come down to parity, and we all feel nice and safe—we can drop the level of unit readiness. We do not have to keep all the units at the current NATO standard of 90 to 95 percent manning. We can safely drop down.

Readiness is where we spend one-third of our money. If we have this nice, stable balance in Central Europe, and the pace of modernization is not terribly fast, we do not have to field as many weapons as before. We can save, again, a substantial amount of money as we maintain at this stable balance.

This is why I think there is, in essence, an inherent flaw in the argument of those who would say NATO's proposal does not cut deep enough. What I think is an inherently stable posture, and a cost-efficient one in Central Europe, is a set level of parity where both sides are comfortable, but where we have the capacity to mobilize particular European reserves, and move them from inactive status to active status.

At least when people argue for deeper cuts, such as to 50 percent, I would hope that they will discriminate between active and inactive assets. Merely saying we should move half of all the force structure out as part of the 50 percent reduction, in fact, puts more financial pressure on us in terms of how we are going to bring back additional forces in time of crisis and mobilization. I believe that taking the NATO approach—with its 10-percent reductions gives you a platform for significant negotiations in the future, but also much higher financial savings than the 50 percent figure would allow.

Thank you, Mr. Chairman, for allowing me to go over time.

[The prepared statement of Mr. Karber follows:]

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A Ford Aerospace Company

# STRATEGIC SIGNIFICANCE
# of the
# WESTERN CONVENTIONAL ARMS CONTROL PROPOSAL:

## IN THE CONTEXT OF THE GORBACHEV UNILATERAL REDUCTIONS AND THE CFE NEGOTIATIONS IN VIENNA

testimony before the
Senate Armed Services Committee

APRIL 6, 1989

**Phillip A. Karber**
**Senior Vice President**
**National Security Programs**
**The *BDM* Corporation**

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# WESTERN CFE PROPOSAL

## THE WEST HAS TABLED A GOOD CFE PROPOSAL IN VIENNA

- IT FOCUSES ON THE KEY OFFENSIVE WEAPONS DESIGNED TO SEIZE TERRITORY -- THE ONES THE WEST FINDS MOST THREATENING.
- IT CALLS FOR DEEP CUTS -- APPROXIMATELY 50% REDUCTION OF THE TOTAL QUANTITY OF TANKS, ARMORED TROOP CARRIERS, AND ARTILLERY OF BOTH SIDES DEPLOYED IN THE ATTU AREA.
- IT IS FAIR -- BASED ON PARITY -- EQUAL RESIDUAL LEVELS FOR BOTH SIDES.
- IT IS SAFE, VERIFIABLE, AND ITS COLLATERAL SUFFICIENCY, STATIONING, AND ZONAL RULES MAKE INHERENT COMMON SENSE.

**THE BIGGEST PROBLEM WITH THE NATO PROPOSAL IS THAT IT IS LESS POPULAR IN THE WEST THAN IN THE EAST**

- MANY DO NOT UNDERSTAND IT -- FEW APPRECIATE ITS PROFOUND IMPLICATIONS FOR A STABLE AND PEACEFUL EUROPE.
- SOME ARE INTENTIONALLY TRYING TO EMASCULATE THE WESTERN PROPOSAL BEFORE WE HAVE EVEN HAD A CHANCE TO NEGOTIATE IT, LET ALONE CONSUMMATE IT.
- IRONICALLY, THE VERY PEOPLE WHO USED TO SAY "NATO'S PROPOSAL IS NON-NEGOTIABLE", ARE NOW SAYING "IT IS NOT AMBITIOUS ENOUGH".

# OFFENSIVE WEAPONS

- CONVENTIONAL WEAPONS ARE NEUTRAL -- IN THE ABSTRACT
- ALL WEAPONS HAVE AN OFFENSIVE POTENTIAL -- USED TO SEIZE AN OPPONENT'S TERRITORY
- HOWEVER, CERTAIN WEAPONS GREATLY FACILITATE THE DESTABILIZING CONDITIONS OF PREEMPTION (SURPRISE ATTACK) AND HIGH-SPEED, LARGE-SCALE OFFENSIVES
  - THOSE WHICH ALLOW PENETRATION OF THE DEFENSE
    - -- THE MODERN MAIN BATTLE TANK
  - THOSE WHICH FACILITATE RAPID MOVEMENT AND SEIZURE OF TERRAIN
    - -- ARMORED TROOP CARRIERS AND INFANTRY FIGHTING VEHICLES
  - THOSE WHICH SUPPRESS/DISRUPT THE INTEGRITY OF THE DEFENSE
    - -- ARTILLERY, MULTIPLE ROCKET LAUNCHERS, HEAVY MORTARS, AIRCRAFT, AND ATTACK HELOS
- THE COMBINED ARMS SYNERGY OF SYSTEMS WHICH PERFORM THESE FUNCTIONS ALLOWS THE ATTACKER TO SEIZE AND EXPLOIT THE INITIATIVE
- THE DANGER OF SURPRISE ATTACK AND LARGE-SCALE OFFENSIVES IS IN DIRECT PROPORTION TO THE EXTENT THERE IS A GROSS DISPARITY BETWEEN THE ALLIANCES IN THE GEOGRAPHIC PROXIMITY OF THESE WEAPONS SYSTEMS
- REAL -- AS OPPOSED TO IDEAL -- ARMS CONTROL MUST BALANCE THREE KEY FACTORS:

| | TERRAIN SEIZING CAPABILITY | DISPARITY IN FORCE LEVELS | AMENABILITY TO VERIFIABLE CONSTRAINT |
|---|---|---|---|
| TANKS | DIRECT | MAJOR | GOOD |
| ATC | DIRECT | MAJOR | GOOD |
| ARTILLERY | SUPPORTING | MAJOR | GOOD |
| HELICOPTERS | SUPPORTING | MINOR | FAIR |
| AIRCRAFT | SUPPORTING | MINOR | POOR |

# DEEP CUTS

- BOTH SIDES AGREE THAT THE OBJECTIVE OF CONVENTIONAL REDUCTIONS SHOULD BE LOWER THAN THE SIDE WITH THE LOWEST LEVEL OF WEAPONS IN A GIVEN CATEGORY

- THE WARSAW PACT HAS A CLEAR AND SELF-ADMITTED SUPERIORITY IN THE THREE CATEGORIES OF OFFENSIVE WEAPONS AND WOULD THUS HAVE TO TAKE DISPROPORTIONATE CUTS

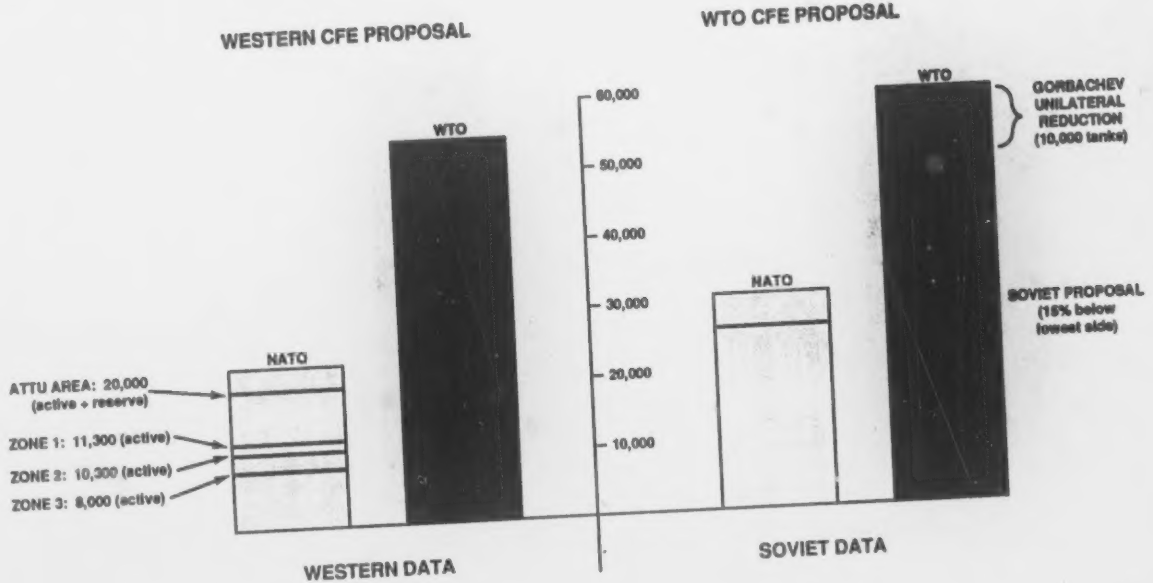
- RATHER THAN EMPLOY A METHODOLOGY PREDICATED ON EMBARRASINGLY HIGH REDUCTION RATIOS, NATO USED AN ELEGANTLY SIMPLE AND EMINENTLY FAIR APPROACH
  - TOOK THE TOTAL COMBINED INVENTORY OF BOTH SIDES WITHIN THE ATTU AREA
  - CUT THE AGGREGATE NUMBER IN HALF
  - APPORTIONED EACH SIDE AN EQUAL SPLIT

- UNDER THE NATO METHODOLOGY THE QUANTITY OF OFFENSIVE WEAPONS IN EUROPE WILL BE CUT BY AT LEAST:
  - 40,000 TANKS
  - 33,000 ARTILLERY TUBES
  - 56,000 ARMORED TROOP CARRIERS

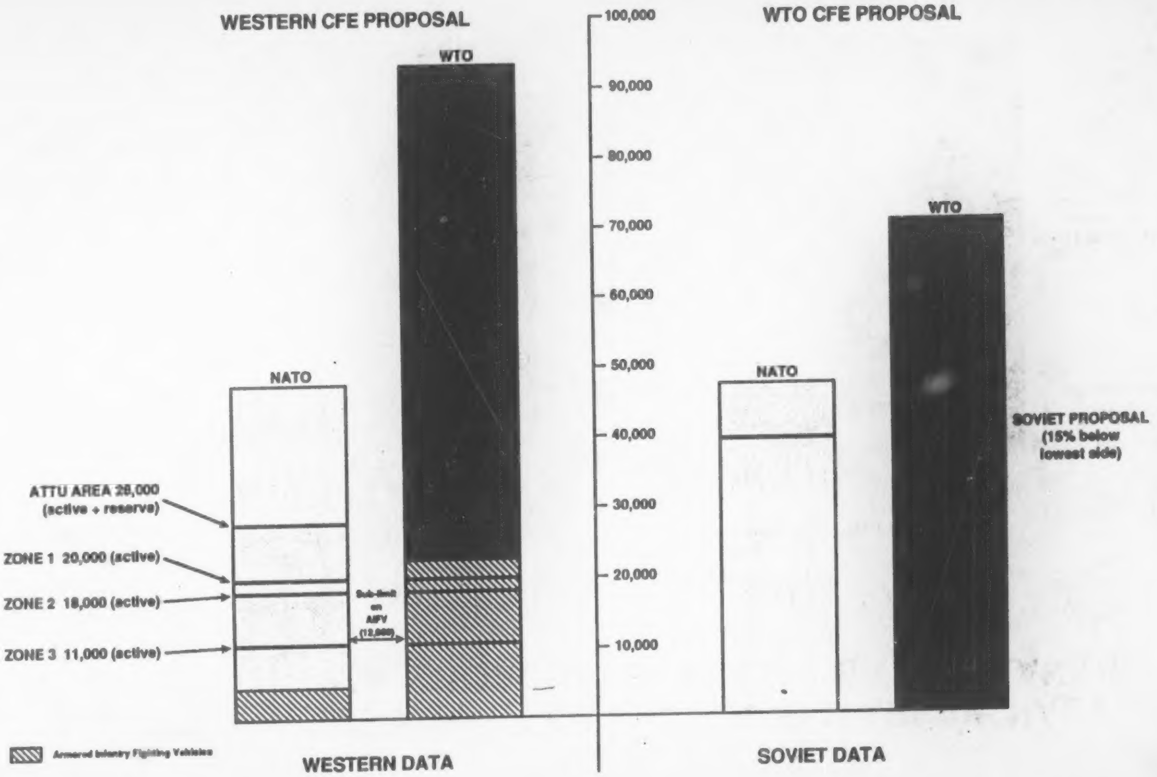
- THIS IS A VERY AMBITIOUS FIRST STEP

- NATO's APPROACH PROVIDES DEEPER CUTS, USING NATO DATA AND COUNTING RULES, THAN THE WARSAW PACT APPROACH DOES USING WTO DATA AND COUNTING RULES

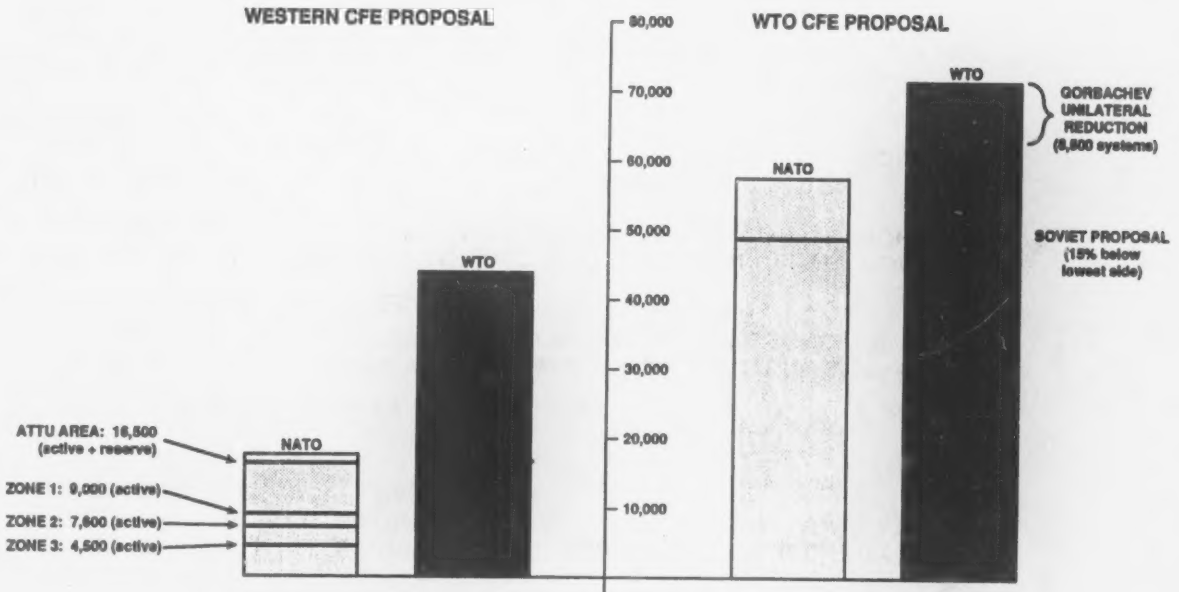
# COMPARATIVE IMPACT OF NATO AND WARSAW PACT ARMS CONTROL PROPOSALS ON MAIN BATTLE TANKS



# COMPARATIVE IMPACT OF NATO AND WARSAW PACT ARMS CONTROL PROPOSALS ON ARMORED TROOP CARRIERS



# COMPARATIVE IMPACT OF NATO AND WARSAW PACT ARMS CONTROL PROPOSALS ON ARTILLERY



**WESTERN DATA***

* Artillery, mortars and MRLs ≥ 100 mm

**SOVIET DATA****

** Artillery ( ≥ 75 mm), mortars ( ≥ 50 mm) and MRLs.

# THE PARITY PRINCIPLE

- NO PROFESSIONAL MILITARY LEADER WOULD PREFER TO FIGHT OUTNUMBERED – MOST WOULD PREFER TO HAVE A QUANTITATIVE EDGE
- HOWEVER, IF BOTH SIDES ARE TO HAVE EQUAL LEVELS OF SECURITY, THERE IS NO SUBSTITUTE FOR HAVING REDUCED OFFENSIVE ARMS AT EQUAL RESIDUAL LEVELS. PARITY IS:
    - FAIR TO BOTH SIDES
    - EASILY UNDERSTOOD
    - FOCUSED ON PRODUCT, NOT THE PROCESS
- HOWEVER, IN A GEOGRAPHIC REGION AS LARGE AS ATTU, ONE SIDE COULD LOCALLY MASS ITS OFFENSIVE FORCES AND STILL POSE THE DANGER OF DEEP PENETRATION AND RAPID SEIZURE OF TERRAIN
- THE GEOGRAPHIC AREA MOST AMENABLE TO FORCE CONCENTRATION AND VULNERABILITY TO LARGE-SCALE OFFENSIVE IS CENTRAL EUROPE.
- THUS, NATO HAS PROPOSED APPLYING THE PARITY PRINCIPLE TO SUCCESSIVELY SUBSUMED CONCENTRIC ZONES RADIATING OUT FROM CENTRAL EUROPE
- THE "ZONE" CONCEPT IS INDISPENSABLE TO A LASTING AND STABLE CONVENTIONAL ARMS CONTROL REGIME IN EUROPE BECAUSE THESE SUBZONES:
    - GREATLY FACILITATE VERIFICATION
    - CODIFY PARITY AT EQUIDISTANCE
    - PROVIDE ADVANCED WARNING AGAINST THE MOBILIZATION/ REDEPLOYMENT OF LARGE-SCALE OFFENSIVE POTENTIAL

# NATO DEFINITION OF REGIONAL SUB-ZONES

**"MATRESHKA DOLL" SUB ZONES:**

**ZONE 3:**

CENTRAL EUROPE (FRG, BENELUX, GDR, CZECH, POL.)

**ZONE 2:**

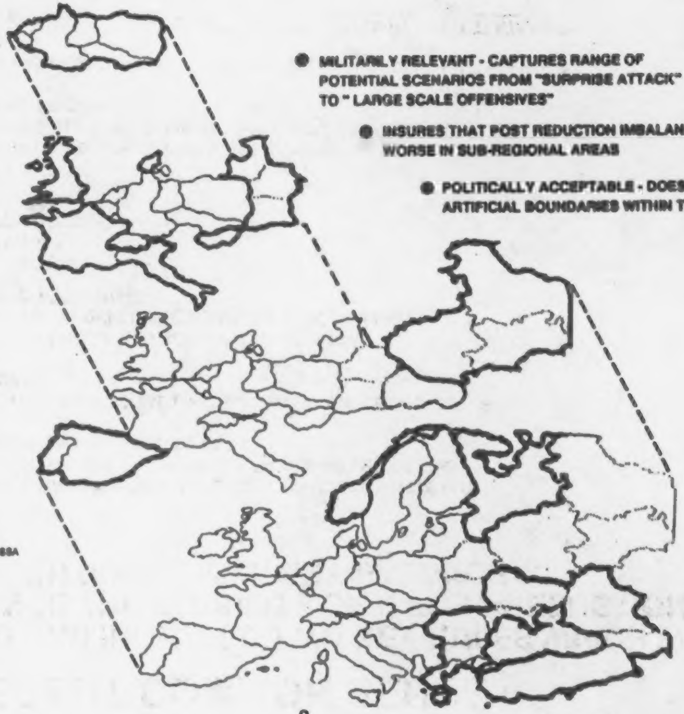
REINFORCING ZONE (CE + UK, FRANCE, ITALY, HUNGARY, BALTIC MD, BELO MD, CARP MD)

**ZONE 1:**

RESERVE AREA (CE + RZ + SPAIN, PORTUGAL, MOSCOW MD, VOLGA MD, URAL MD)

**ATLANTIC TO THE URALS:**

ATTU AREA (CE + RZ + ICELAND, NORWAY, LENINGRAD MD, GREECE, TURKEY, KIEV MD, ODESSA MD, N. CAUCASUS MD, TRANSCAUCASUS MD, BULGARIA, ROMANIA)



- MILITARILY RELEVANT - CAPTURES RANGE OF POTENTIAL SCENARIOS FROM "SURPRISE ATTACK" TO " LARGE SCALE OFFENSIVES"
- INSURES THAT POST REDUCTION IMBALANCES NOT MADE WORSE IN SUB-REGIONAL AREAS
- POLITICALLY ACCEPTABLE - DOES NOT CREATE ARTIFICIAL BOUNDARIES WITHIN THE ALLIANCE

# THE WESTERN CFE PROPOSAL MAKES INHERENT COMMON SENSE

## IN ADDITION, NATO HAS INCLUDED TWO KEY RULES WHICH WOULD GREATLY ENHANCE THE STABILITY OF A POST-REDUCTION CONVENTIONAL MILITARY BALANCE

## •SUFFICIENCY RULE

- EVERY NATION SHOULD HAVE SUFFICIENT FORCES FOR ITS DEFENSE,BUT NO ONE NATION SHOULD HAVE A DISPROPORTIONATE AMOUNT OF THE TOTAL OFFENSIVE WEAPONS IN THE ATTU AREA

- NATO PROPOSES THAT THIS NATIONAL LIMIT BE 30% OF THE COMBINED ASSETS OF BOTH SIDES

- TODAY THE SOVIET UNION HAS A DISPROPORTIONATELY HIGH PERCENTAGE OF THE TOTAL OFFENSIVE WEAPONS IN ACTIVE UNITS OF NATO AND THE WTO TOGETHER
    - TANKS -- USSR 54%
    - ATC -- USSR 46%
    - ARTILLERY -- USSR 57%

## •STATIONING RULE

- NO NATION SHOULD HAVE A DISPROPORTIONATE ASYMMETRY IN THE NUMBER OF OFFENSIVE WEAPONS IN ACTIVE COMBAT UNITS IN ITS FORCES STATIONED OUTSIDE ITS NATIONAL TERRITORY

- TODAY THE SOVIET UNION FIELDS SUCH A GROSS DISPARITY IN STATIONED FORCES

| EQUIPMENT | NATO LIMIT | CURRENT USSR STATIONED |
|---|---|---|
| TANKS | 3,200 | 10,800 |
| ATC | 6,000 | 14,183 |
| ARTILLERY | 1,700 | 7,234 |

- THE USSR HAS FOUR TIMES THE STATIONED OFFENSIVE WEAPONS OF ANY OTHER STATE

## NATO CFE PROPOSAL...

# WILL PRODUCE A STABLE MILITARY BALANCE

- NO INCENTIVE FOR PREEMPTION (SURPRISE ATTACK)
  - VERY HIGH RISK FOR THE ATTACKER
  - LOSE MORE IN FORCES THAN GAIN IN TERRITORY
  - VERY LOW-SPEED OFFENSIVE: TURNS "BLITZKRIEG" INTO "SITZKRIEG"
- AN OFFENSIVE WILL ALWAYS BE POSSIBLE *BUT* PARITY IN OFFENSIVE WEAPONS IN THE ATTU MEANS:
  - DIFFICULTY OF MASSING WITHOUT DENUDING OTHER FRONTS
  - TAKES 3-TO-4 TIMES AS LONG FOR FORCE GENERATION
  - GIVES DEFENDER CLEAR, UNAMBIGUOUS WARNING AND TIME TO OFFSET WITH TERRAIN PREPARATION, RESERVE MOBILIZATION AND TRANSATLANTIC REINFORCEMENT
- ACHIEVEMENT OF PARITY IN OFFENSIVE WEAPONS IS A "NEW BALL GAME"
  - WILL REDUCE WESTERN SENSITIVITY TO NEGOTIATING CONSTRAINTS ON OTHER WEAPONRY
    - -- REDUCED REQUIREMENT FOR "STRIKE AVIATION"
    - -- LESS DEPENDENCE ON HIGH-SPEED SLOC
    - -- LESS NEED FOR NUKES AS AN OFFSET TO CONVENTIONAL INFERIORITY
  - REDUCES PACE, INTENSITY, AND DANGER OF A QUALITATIVE ARMS RACE
  - OPENS UP OPPORTUNITY FOR A WIDE RANGE OF CONFIDENCE-BUILDING MEASURES

**NATO CFE PROPOSAL...**

# WILL PROVIDE UNPRECEDENTED DIPLOMATIC OPPORTUNITIES

- PARITY IN OFFENSIVE WEAPONS REMOVES THE CONVENTIONAL MILITARY CONFRONTATION BETWEEN EAST AND WEST FROM CENTER STAGE
    - ALLOWS WESTERN EUROPE TO TAKE ON GREATER RESPONSIBILITY FOR ITS OWN SECURITY BY CONSTRAINING SOVIET DOMINANCE IN CONVENTIONAL MILITARY POWER
    - ENCOURAGES GREATER EAST EUROPEAN POLITICAL AND ECONOMIC INDEPENDENCE FROM USSR AND GREATER INTERACTION WITH WESTERN EUROPE
    - PROVIDES A MUTUALLY AGREED FRAMEWORK FOR FURTHER NEGOTIATIONS
        - "HEALING THE DIVISION OF EUROPE"
        - FURTHER REDUCTION OF SUPERPOWER PRESENCE IN EUROPE
        - REDUCED DEPENDENCE ON NUCLEAR WEAPONS

- THE "PARITY PRINCIPLE" AS APPLIED BY NATO TO CONVENTIONAL ARMS CONTROL -- IF WELL ARTICULATED -- WILL GENERATE THE POPULAR SUPPORT IT NEEDS FOR ITS OWN SUCCESS BECAUSE IT IS
    - PUBLICLY COMPREHENSIBLE
    - POLITICALLY COMPELLING
    - AND, BY REMOVING 40 YEARS OF WESTERN INSECURITY AND INFERIORITY, OPENS UP NEW DIRECTIONS FOR CREATIVE THINKING

- THE NATO CFE PROPOSAL CANNOT BE BLAMED FOR THE LACK OF WESTERN LONG-TERM STRATEGIC VISION -- HOWEVER, ITS SUCCESS IS INDISPENSABLE FOR IT

**NATO CFE PROPOSAL...**

# WILL PRODUCE ECONOMIC SAVINGS OUT OF PROPORTION TO THE SIZE OF CUTS IN FORCES

- A 10% CUT IN NATO FORCE STRUCTURE (COMBINED WITH PARITY IN OFFENSIVE WEAPONS – WHICH ELIMINATES THE DANGER OF SURPRISE ATTACK AND RESTRICTS THE SPEED OF AN OFFENSIVE) COULD PRODUCE:
    - AN ADDITIONAL 10% COST SAVINGS BY REDUCED REQUIREMENT FOR READINESS
        - LOWER PEACETIME MANNING/GREATER UTILIZATION OF RESERVES
        - MORE EFFICIENT TRAINING/EXERCISES
        - REDUCED O&M/INFRASTRUCTURE COSTS
    - AN ADDITIONAL 10% COST SAVINGS BY REDUCED REQUIREMENT FOR MODERNIZATION
        - DEFENSE EFFICIENCY
            - TIME TO USE TERRAIN
            - REEMERGENCE OF INFANTRY DOMINANCE ON THE BATTLEFIELD
            - REDUCED MUNITIONS STOCKS
        - REQUIREMENT FOR FEWER FORWARD-DEPLOYED HIGH-VALUE/ HIGH-COST SYSTEMS
            - FOFA "STRIKE" AIRCRAFT
            - HIGH-SPEED LIFT
    - LOWER INTENSITY OF QUALITATIVE ARMS RACE
        - NO SAVINGS IN R&D
        - OPTION OF DECELERATED IOC
- PROMOTES NON ZERO-SUM BURDENSHARING: BY REDUCING THE WEIGHT OF THE SOVIET THREAT, REDUCES THE BURDEN TO BE SHARED

# GORBACHEV UNILATERAL REDUCTIONS

## POSITIVE DETAILS ON GORBACHEV REDUCTIONS IN CENTRAL EUROPE

- GORBACHEV'S U.N. SPEECH AND SUBSEQUENT SOVIET DETAILS OF SOVIET UNILATERAL REDUCTIONS HAVE PREDOMINATELY FOCUSED ON USSR MILITARY FORCES STATIONED IN EASTERN EUROPE

- GORBACHEV SHOULD BE CONGRATULATED ON HIS STABILIZING INITIATIVE AND IF THE SOVIETS CARRY OUT HIS PROPOSED REDUCTIONS BY 1991, THE WEST SHOULD REEVALUATE ITS REQUIREMENTS FOR ACTIVE FORCES IN THE CENTRAL REGION. UNTIL THE SOVIET REDUCTIONS ARE COMPLETED AND VERIFIED, NATO SHOULD MAKE NO RECIPROCAL REDUCTIONS OF ITS OWN.

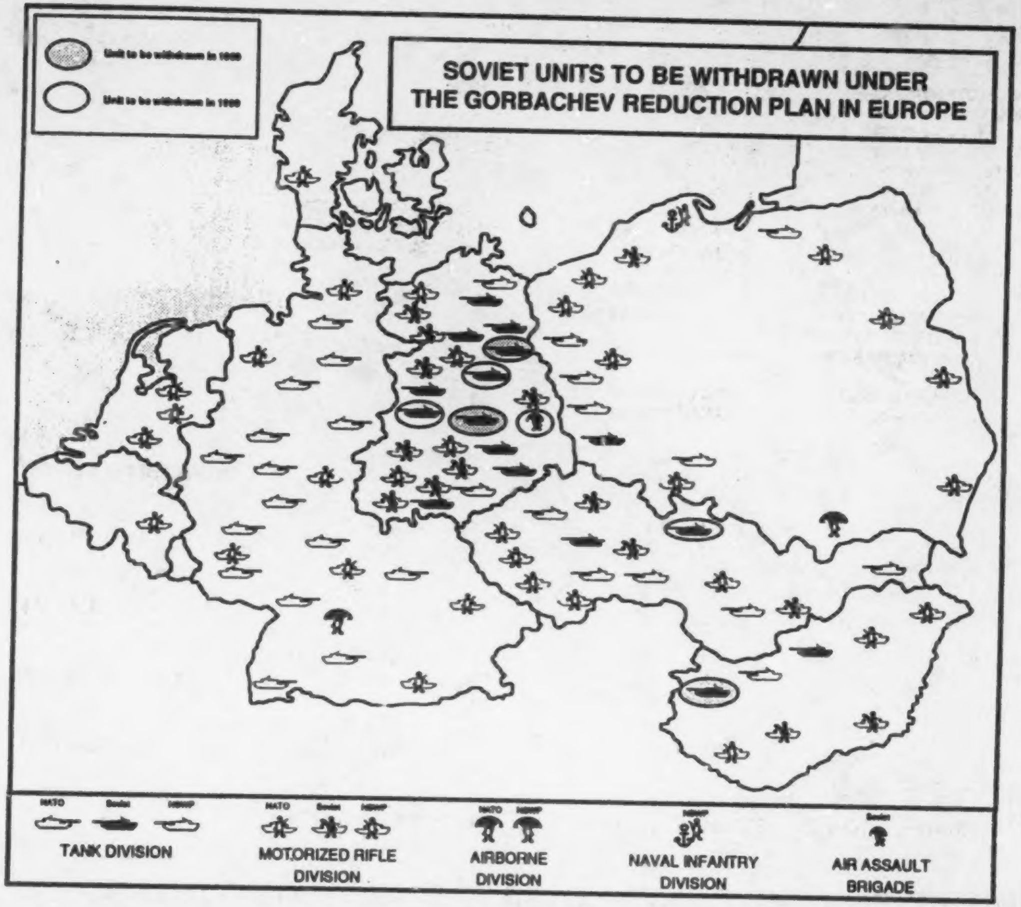
- SOVIET GLASNOST ON THEIR FORWARD-DEPLOYED FORCES PROVIDES DRAMATIC EVIDENCE THAT THE DANGER OF PREEMPTIVE INCENTIVES WAS MUCH HIGHER THAN POPULARLY BELIEVED.
    - OFFENSIVE ORIENTATION OF THE "OLD" DOCTRINE
    - HIGHER CONCENTRATION OF FORWARD-DEPLOYED TANKS THAN COMMONLY BELIEVED
    - PRESENCE OF OPERATIONAL MANEUVER GROUP FORMATIONS IN THE FIRST ECHELON

- CONSIDERABLE EVIDENCE THAT GORBACHEV REDUCTIONS FOCUSED ON CONCERNS HIGHLIGHTED BY U.S. SENATE ARMED SERVICES COMMITTEE

- WE NEED TO CODIFY VIA NATO's CFE PROPOSAL THE NEW, MORE STABLE FORWARD BALANCE - - WHAT IS UNILATERALLY DONE CAN BE UNILATERALLY UNDONE.

# CENTRAL EUROPE: FOCUS OF GORBACHEV REDUCTIONS

| | CENTRAL EUROPE | ATLANTIC TO URALS (WARSAW TREATY ORG.) | SOVIET UNION |
|---|---|---|---|
| **MANPOWER CUTS** | 50,000<br>(8.9%) | 240,000<br>(10%) | 500,000<br>12% |
| **DIVISION CUTS** | 6 TDs<br>(20%) | --<br>-- | --<br>-- |
| **TANKS** | 5,300 CUT<br>(51%) | 10,000 CUT<br>(20%) | --<br>-- |
| **ARTILLERY** | ?<br>? | 8,500 CUT<br>(14.8%) | --<br>-- |
| **COMBAT AIRCRAFT** | 260<br>? | 800 CUT<br>(11%) | --<br>-- |
| | • MOST SPECIFIC DETAIL :<br>- UNITS<br>- LOCATION<br>- TIMING<br>• OMG IDENTIFICATION<br>• GORBACHEV IS DOING IT EXACTLY LIKE WE WOULD WANT HIM TO | • PUBLISHING OF WTO DATA BASE<br>• AMBIGUITY IN:<br>- UNITS<br>- TYPES OF EQUIPMENT<br>- SUBSEQUENT DISPOSITION | •14.2 % DEFENSE SPENDING CUT<br>• WITHDRAWAL OF 75% OF ASSETS IN MONGOLIA<br>• HIGH UNCERTAINTY IN:<br>- WEAPONS MODERNIZATION<br>- PRODUCTION LEVELS<br>- ARMAMENT TOTALS<br>- UNIT RESTRUCTURING<br>- DRAFT SYSTEM<br>- MD ORGANIZATION<br>- CIVILIAN AUTHORITY OVER MOD |



SOVIET UNITS TO BE WITHDRAWN UNDER THE GORBACHEV REDUCTION PLAN IN EUROPE

NATO
Soviet
NSWP
TANK DIVISION
NATO
Soviet
NSWP
MOTORIZED RIFLE DIVISION
NATO
NSWP
AIRBORNE DIVISION
NSWP
NAVAL INFANTRY DIVISION
Soviet
AIR ASSAULT BRIGADE

# ANNOUNCED SOVIET UNIT REDUCTIONS IN FORWARD AREA

| *GROUP OF FORCES* | *SPECIFIED OR UNSPECIFIED UNITS* |
|---|---|
| GSFG (Germany, by year end 1989) | 25th, 32nd Tank Divisions (20th GDS Army) at Juterbog<br>2 tank training regiments<br>8 independent battalions |
| GSFG (by year end 1990) | 7th Guards, 12th Guards Tank Divisions<br>35th Air Assault Brigade<br>3 tank training regiments<br>2 other training regiments |
| CGF (Czechoslovakia, by year end 1989) | 2 independent battalions |
| CGF (by year end 1990) | 31st Tank Division<br>Landing assault battalion<br>Combat engineers regiment |
| SGF (Hungary, by May 1989) | Total Soviet SGF withdrawals are to total 22 units, including:<br>13th Guards Tank Division from Veszprem (to be withdrawn by June 1989; counts as 13 units)<br>1 tank training regiment<br>1 air assault battalion<br>1 aircraft regiment from Tokol<br>1 chemical defense battalion<br>-- withdrawal of unspecified number and types of units from the cities of Szombathely and Gyor (Note: may already be included in above data)<br>-- "other individual units" |
| NGF (Poland) | 1989: 1 tank training regiment<br>1 anti-aircraft missile regiment<br>1 helicopter regiment<br>1990: army landing and assault brigade |

# SOVIET WITHDRAWALS FROM EASTERN EUROPE ARE MILITARILY SIGNIFICANT

*" The formations and units being cut will be withdrawn in their full strength.... " "The six tank divisions ... are being disbanded. I repeat: disbanded, not deployed elsewhere."*

-Yazov, Feb. 28, 1989

**IMPACT OF GORBACHEV CENTRAL EUROPEAN REDUCTIONS**

(Active Units in FRG, Denmark, BENELUX, GDR, Poland, Czechoslovakia, & Hungary)

| | NATO ASSETS | CURRENT WTO ASSETS | GORBACHEV CUT | % REDUCTION | SUBSEQUENT WTO ASSETS |
|---|---|---|---|---|---|
| Tanks | 7090 | 19650 | 5300 | 27% | 14350 |
| IFVs | 4794 | 10668 | (1440) | 13% | 9228 |
| APCs | 10596 | 13330 | (252) | 2% | 13078 |
| Tube Artillery | 2145 | 8195 | (792) | 10% | 7403 |
| Hvy Mortars & MRLs | 1338 | 3980 | (324) | 8% | 3656 |
| Air Defense Guns | 1275 | 3876 | (96) | 2% | 3780 |
| SAMs | 1334 | 3227 | (216) | 7% | 3011 |
| Attack Helos | 530 | 906 | (36) | 4% | 870 |
| Combat Aircraft | 1450 | 2900 | 260 | 9% | 2640 |

- THE SIZE OF SOVIET UNILATERAL REDUCTIONS IS 20% GREATER THAN WHAT THE WEST ASKED FOR IN ITS MOST AMBITIOUS MBFR PROPOSAL.
- THE SIZE OF SOVIET WITHDRAWALS IS GREATER THAN THE ACTIVE ASSETS OF THE ENTIRE U.S. 7th ARMY.
- THE NUMBER OF SOVIET TANKS TO BE WITHDRAWN FROM EASTERN EUROPE IS EQUAL TO THE NUMBER IDENTIFIED BY SEN. NUNN IN HIS PROPOSAL OF MARCH, 1987.
- THE NUMBER OF SOVIET TANKS TO BE WITHDRAWN IS EQUAL TO THE NUMBER OF TANKS ADDED TO WARSAW PACT ACTIVE INVENTORY IN CENTRAL EUROPE BETWEEN 1967 AND 1987.

( ) Assets organic to and presumed withdrawn with the six withdrawn tank divisions

# THE MAJORITY OF SOVIET TANK REDUCTIONS ARE PRODUCED BY UNIT RESTRUCTURING -- NOT JUST UNIT WITHDRAWALS

"In addition to the large-scale reductions, fundamental qualitative changes are also being made in our armed forces. They are being given a nonoffensive structure. This includes a number of organizational measures in the groups of forces with a view to giving them a more defensive thrust, in particular by converting combined-arms formations to a new organizational structure."

– Yazov, Feb. 28, 1989

## CONVERSION OF TANK DIVISIONS

"The number of tanks in tank divisions will fall by more than 20 percent as a result of excluding one tank regiment from them. In the reorganized divisions there will be an increase in the number of anti-tank and antiaircraft means, means for creating obstacles and laying minefields, and also engineering-position camouflage equipment. As a result, these formations and units will acquire a qualitatively different structure, namely a defensive one. In addition, the separate tank regiments in a group of forces will be transformed into motorized infantry regiments."

– Yazov, Feb. 28, 1989

## CONVERSION OF FORWARD-DEPLOYED MOTORIZED RIFLE DIVISIONS

"... tank regiments will be removed from the motorized infantry divisions of the Group of Soviet Forces in Germany and the Central Group of Forces. They will be left only with motorized infantry regiments, and the number of tanks will fall by 40 percent."

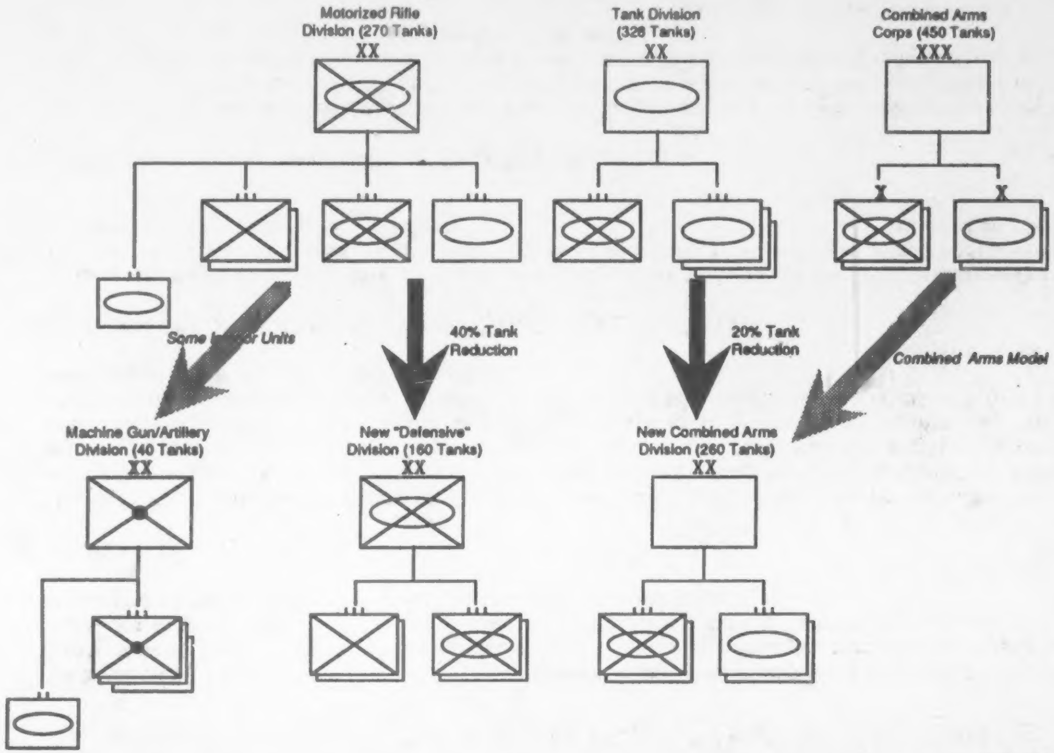
– Yazov, Feb. 28, 1989

## CONVERSION OF "SOME" INTERIOR MOTORIZED RIFLE DIVISIONS

"In the Soviet border defense districts -- the Baltic, the Carpathian, and the Belorussian defense districts, most districts will be restructured on the model of the machine gun/artillery divisions which the Soviet Union once had. These divisions are good for the defense of fortified regions or bastions. They will have lower mobility, and hence are more oriented for defense."

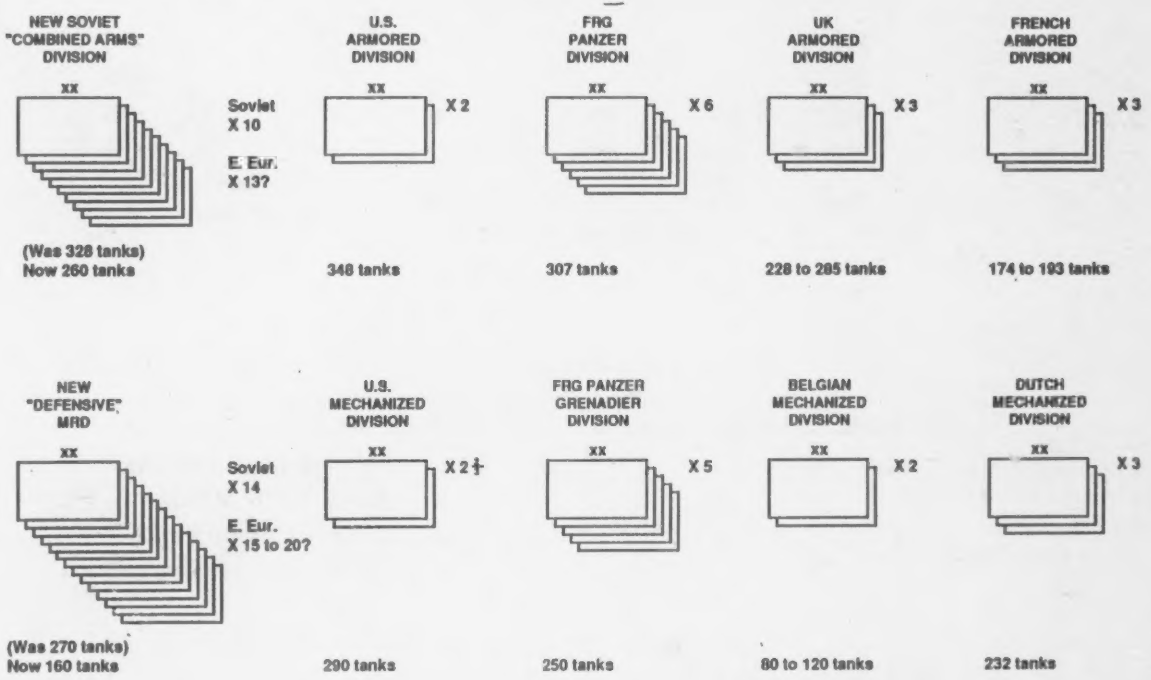
– Maj. Gen. Batenin to FRG parliamentarians and confirmed to Karber, February 1989.

# NEW SOVIET UNIT RESTRUCTURING


Motorized Rifle Division (270 Tanks)
XX
Tank Division (328 Tanks)
XX
Combined Arms Corps (450 Tanks)
XXX
X
X
Some [illegible] Units
40% Tank Reduction
20% Tank Reduction
Combined Arms Model
Machine Gun/Artillery Division (40 Tanks)
XX
New "Defensive" Division (160 Tanks)
XX
New Combined Arms Division (260 Tanks)
XX

# NEW SOVIET "DEFENSIVE" DIVISIONS COMPARED TO NATO DIVISIONS

(UNITS IN CENTRAL EUROPE)

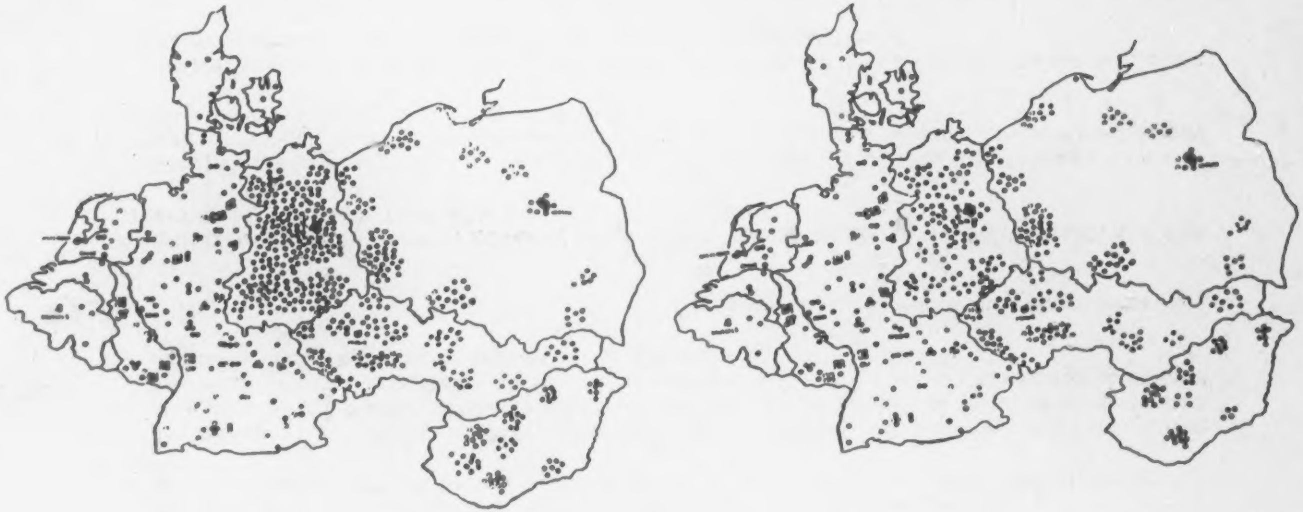

NEW SOVIET "COMBINED ARMS" DIVISION
XX
Soviet X 10
E. Eur. X 13?
(Was 328 tanks)
Now 260 tanks
U.S. ARMORED DIVISION
XX
X 2
348 tanks
FRG PANZER DIVISION
XX
X 6
307 tanks
UK ARMORED DIVISION
XX
X 3
228 to 285 tanks
FRENCH ARMORED DIVISION
XX
X 3
174 to 193 tanks
NEW "DEFENSIVE" MRD
XX
Soviet X 14
E. Eur. X 15 to 20?
(Was 270 tanks)
Now 160 tanks
U.S. MECHANIZED DIVISION
XX
X 2½
290 tanks
FRG PANZER GRENADIER DIVISION
XX
X 5
250 tanks
BELGIAN MECHANIZED DIVISION
XX
X 2
80 to 120 tanks
DUTCH MECHANIZED DIVISION
XX
X 3
232 tanks

# SUBSEQUENT SOVIET DETAILS SUGGEST THAT GORBACHEV WILL IMPLEMENT HIS CENTRAL EUROPEAN WITHDRAWALS EXACTLY LIKE WE WOULD WANT HIM TO

- HONEST IMPLEMENTATION CRITERIA
  - SOVIET FORCES
  - ASSETS IN ACTIVE UNITS
  - WITHDRAWN IN UNIT SETS
  - IDENTIFICATION OF WITHDRAWING UNITS AND BASICS OF RESTRUCTURING TO FACILITATE WESTERN OBSERVATION AND CONFIDENCE
- PROPORTIONALITY OF CUTS WHERE CONCENTRATION IS GREATEST

|  |  | SOVIET TANK REDUCTIONS |  |  |  |
|---|---|---|---|---|---|
| KARBER CRITERIA (DEC. 12, 1988) |  | UNITS '89 | UNITS '90 | RESTRUC-TURING | TOTAL |
| GSFG | 3,500 | 896 | 1,016 | 1,516 | 3,428 |
| CGF | 800 | — | 328 | 398 | 726 |
| SGF | 700 | 448 | — | 288 | 736 |
| NGF | __? | 120 | = | 178 | 298 |
| TOTAL | 5,000 | 1,464 | 1,344 | 2,380 | 5,188 |

# PEACETIME DEPLOYMENT OF TANK BATTALIONS IN CENTRAL EUROPE



CURRENT

POST-GORBACHEV REDUCTIONS 1991

# OPERATIONAL MANEUVER GROUPS

**FOR THE LAST DECADE – WESTERN DEBATE ON OMG's**

- **DO THEY EXIST AT ALL?**
- **ARE THEY FUNCTIONAL (MISSION ORIENTED) OR STRUCTURAL (UNIT SPECIFIC)?**
- **ARE THEY FORWARD DEPLOYED – IN POSITION TO PRE-EMPT NATO DEFENSIVE PREPARATION?**

> **"To the extent that formation of OMGs represents a forward posturing of Soviet armies and fronts, it must be anticipated that Western defenders will have to deal with greater numbers of Soviet forces sooner than previously thought, and that a significant percentage of that force will be attempting to achieve dipsersion in our depth almost from the outset of hostilities."**

**Major John Hines, DIA *Review of Soviet Ground Forces***

**AMBIGUITY AND UNCERTAINTY LED MANY IN THE WEST TO DEPRECATE OUR OWN INTELLIGENCE AND THE CREDIBILITY OF MILITARY COMMANDERS. FOR EXAMPLE:**

> **"One gets the impression that the 'new OMG threat' has been used by U.S. and NATO officials in order to justify strategies such as 'air-land battle,' 'follow-on forces attack,' and the advanced-technology 'deep-strike' weapons that go along with them."**

> **"NATO Commander Rogers, it should be remembered, ... embarked on a campaign to sell deep-strike strategies and weapons to the Allies, on the basis of the Soviet 'OMG threat'."**

**M. Evangelista, *Bulletin of Atomic Scientists*, Jan/Feb 1987**

# IS GLASNOST FOR REAL? THE CASE OF THE OMG

## OMG DEVELOPMENT PATTERN

- SOVIET AND EAST GERMAN DISCUSSIONS OF TACTICAL DOCTRINE -- LATE 1970'S
- SOVIET FIELD TRAINING -- 1980/81
- SOVIET REORGANIZATION, REDEPLOYMENT AND RESUBORDINATION OF TANK DIVISIONS IN GSFG'S 3RD SHOCK AND 20TH GUARDS ARMIES

## SOVIETS "SOLVE" THE DEBATE

> "Of the six tank divisions which are to be withdrawn and demobilized, five belong to the operational maneuver groups. The sixth in Hungary does not have the features of an operational maneuver group. Of these five offensive maneuver groups, two will be disbanded in the GDR this year, another two in the GDR in 1990. The offensive maneuver group in the CSSR will also be eliminated. Thus, the elements which the West has been considering particularly threatening will be eliminated."

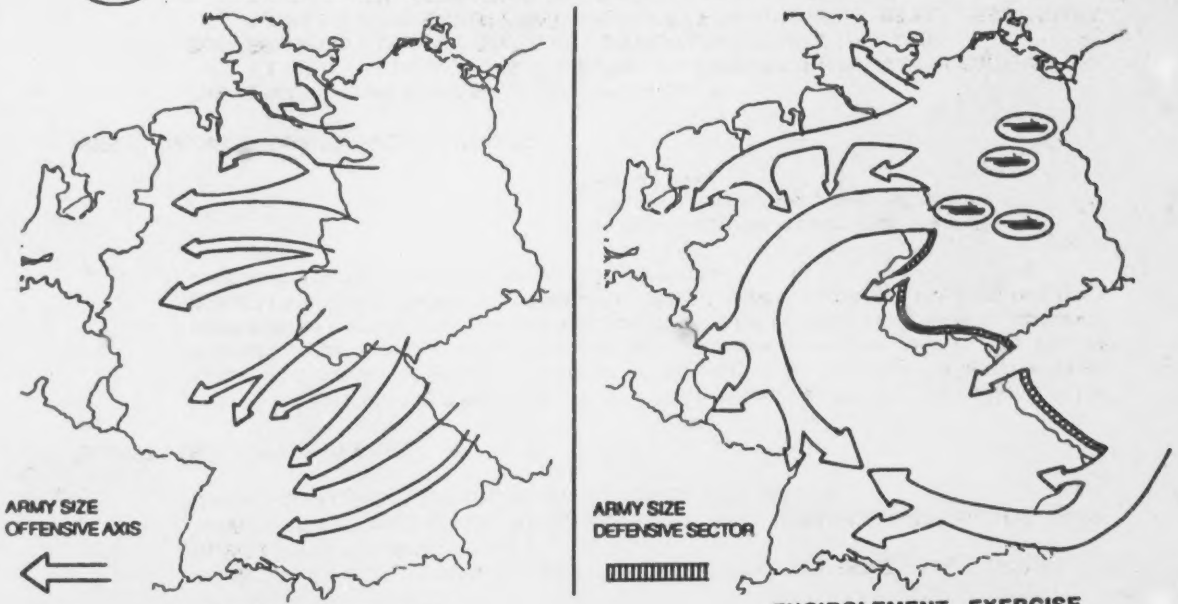
Maj. Gen. Batenin and Col. Gen. Chervov to visiting
FRG parliamentarians and reconfirmed to Karber,
February 1989

## IMPLICATIONS OF SOVIET OMG RECOGNITION

- THERE WAS A REAL SOVIET PRE-EMPTIVE THREAT
  - EX POST FACTO INCREASED CREDIBILITY OF WESTERN MILITARY LEADERS
- CONFESSION IS THE FIRST STAGE OF CONVERSION TO "NEW THINKING"
  - INCREASED CREDIBILITY OF GORBACHEV FOR ADMITTING HIS FORCES POSED A THREAT -- AND PREPARING TO DO SOMETHING ABOUT IT

# SOVIET DEPLOYMENT OF OMGs COINCIDED WITH ADOPTION OF WARSAW PACT DEEP ENCIRCLEMENT STRATEGY

⬭ – LOCATION OF SOVIET IDENTIFIED OPERATIONAL MANEUVER GROUPS AS OF 19 FEBRUARY 1989



**MULTIPLE SIMULTANEOUS AXES**
**MID-1970s**

**ENCIRCLEMENT EXERCISE**
**MID-1980s**

Sources:

Adapted from Mark Urban, Soviet Land Forces, p. 108.

John G. Hines, "Soviet Front Operations in Europe - Planning for Encirclement," a report from a conference at Sundvollen, Norway, April 25-27, 1986.

Phillip A. Peterson and Diego A. Ruiz Palmer, "Soviet Encirclement Operations and NATO's Use of Operational Reserves in Central Europe," a report from a conference on new technologies and the economics of defense held at Malaga, Spain, June 2-4, 1986

# EAST EUROPEANS HAVE ALSO ANNOUNCED UNILATERAL CUTS

- WITHIN TWO MONTHS OF GORBACHEV'S U.N. SPEECH, ALL EAST EUROPEAN MEMBERS OF THE WTO HAD ANNOUNCED CUTS
  - DEFENSE SPENDING -- 4% to 17%
  - MANPOWER -- 113,400
  - TANKS -- 2,751
  - APCs -- 896
  - ARTILLERY -- 1530
  - AIRCRAFT -- 210
  - NUCLEAR SSM UNIT -- "1 TACTICAL MISSILE BRIGADE" [SCUD?] IN POLAND

- HIGH DEGREE OF AMBIGUITY/UNCERTAINTY
  - LOCATION/UNITS REDUCED
  - STATUS OF CUT EQUIPMENT -- ACTIVE, RESERVE, STORAGE, DESTROYED?
  - CONCEPT OF REORGANIZATION -- SOVIET MODEL?

# NON-SOVIET WARSAW PACT DEFENSE REDUCTIONS

| NATION | DEFENSE SPENDING CUT | MANPOWER | UNITS | EQUIPMENT |
|---|---|---|---|---|
| GDR | 10%<br>(by 1990) | 10,000 Troops (6% reduction) | Withdrawn from 6 unspecified tank regiments, 1 unspecified squadron of aircraft | Equipment associated with units to be specified later totaling:<br>600 tanks* (20% reduction)<br>50 aircraft (14% reduction) |
| CZ | 15%<br>(by 1991) | 12,000 men active service<br>15,000 reserves<br>Transfer of 20,000 active duty personnel to construction brigades | (divisional and regimental tactical training sessions are being reduced by 50 percent and combat fire by 25 30 percent) | 850 tanks*, 165 armored vehicles, 51 fighter aircraft<br>Equipment for 3 other unspecified divisions put in storage, personnel shifted to "other duties" |
| PO | 4%<br>(from 7.7% to 5.5% of state budget) | Up to "Tens of Thousands" depending on international situation<br>Assertion of previous cut of 15,000 troops | (Including 2 motorized rifle divisions) in 1987, 1988<br>Proposed elimination of 2 divisions and 95% reduction in 2 additional divisions in 1989 | Unspecified |
| HU | 17% | 9,300 (mostly enlisted) servicemen<br>2,100 senior and junior officers<br>(8.8%) | According to Defense Minister F. Karpati, an unspecified number of "tank brigades and fighter aircraft squadrons will be dismantled" | From unspecified units:<br>251 tanks*<br>30 APCs<br>430 artillery pieces (including 180 anti-tank weapons)<br>9 fighter-interceptor aircraft |
| BU | 12% | 10,000 men | 5 Naval units | 200 tanks*, 200 artillery pieces, 20 aircraft |
| RO | 5%<br>(1986) | Unspecified | Unspecified | Unspecified |

* Unknown as to whether these tanks will be withdrawn from active or reserve units

2-20-89

# IMPACT ON SURPRISE ATTACK POTENTIAL

- ASSUMING SOVIETS CARRY OUT THE REDUCTIONS AS DETAILED,
  AND
- ASSUMING NATO MAINTAINS CURRENT FORCE LEVELS, UNIT READINESS, AND RELATIVE MODERNIZATION,
  THEN – MINIMUM TIME REQUIRED TO GENERATE FORCE CONCENTRATIONS NECESSARY FOR SHORT WARNING ATTACK WILL BE 5 TO 10 DAYS ADVANCE WARNING TO NATO OVER CURRENT POSTURE

- CHANGE IN TANK BALANCE IN CENTRAL EUROPE AS MEASURED BY DISTANCE FROM THE BORDER

RELATIVE DISTANCE FROM THE BORDER

| | WTO 100KM/NATO 100KM | WTO 200KM/NATO 200KM | WTO 200KM/NATO 100KM |
|---|---|---|---|
| NORTHAG | 2.5 TO 1.0 | 2.5 TO 1.0 | 4.3 TO 1.0 |
| POST REDUCTION | 1.3 TO 1.0 | 1.1 TO 1.0 | 1.9 TO 1.0 |
| CENTAG | 1.2 TO 1.0 | 1.6 TO 1.0 | 2.1 TO 1.0 |
| POST REDUCTION | 1.0 TO 1.0 | 1.1 TO 1.0 | 1.5 TO 1.0 |
| TOTAL | 1.7 TO 1.0 | 2.0 TO 1.0 | 2.8 TO 1.0 |
| POST REDUCTION | 1.1 TO 1.0 | 1.1 TO 1.0 | 1.6 TO 1.0 |

The comparison of the change in tank force ratio before and after the Gorbachev unilateral force reduction in Central Europe is drawn from the same data and assumptions used in Senator Carl Levin's report _Beyond the Bean Count : Realistically Assessing the Conventional Military Balance in Europe_, Second Edition, July 1988, p. 11. Only Soviet and East German announced tank reductions are included.

# SOVIET AMBIGUITY IN REDUCING CAPACITY FOR LARGE-SCALE OFFENSIVE

- GORBACHEV HAS NOT PROVIDED A FRACTION OF THE DETAIL FOR THEIR INTERIOR REDUCTION AS THEY DID FOR THEIR UNILATERAL CUTS IN CENTRAL EUROPE

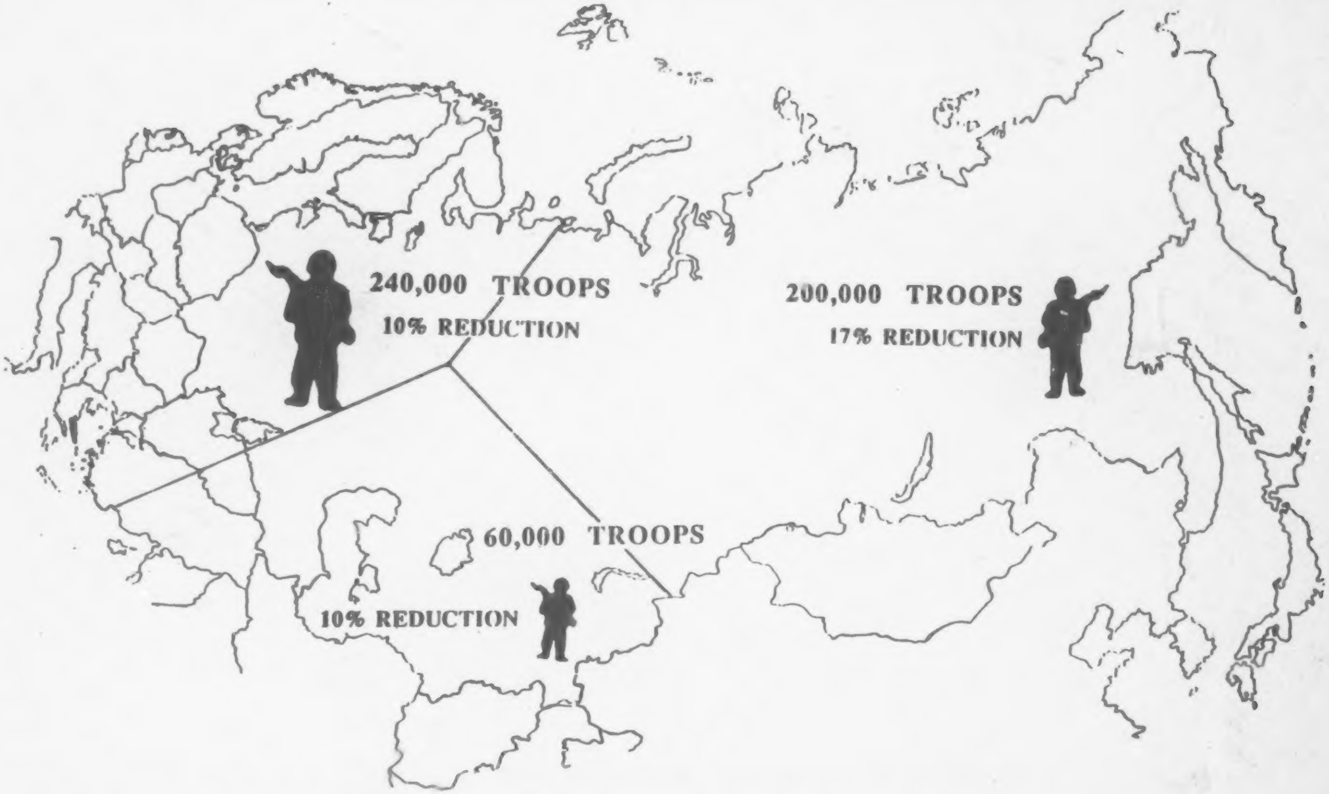
- IN AGGREGATE TERMS GORBACHEV'S CUTS TURN THE ATTU BALANCE CLOCK BACK -- BUT NOT VERY FAR:
    - 10,000 TANK CUT IS EQUAL TO LATE 1970'S INVENTORY
    - 8,500 ARTILLERY CUT IS EQUAL TO EARLY 1980'S INVENTORY
    - 800 AIRCRAFT CUT IS EQUAL TO EARLY 1980'S INVENTORY

- SOVIETS MAY ANNOUNCE FURTHER REDUCTIONS (50% CUT IN INTERIOR DIVISIONS) BUT RESTRUCTURED FORCE WOULD BE AT A HIGHER STATE OF READINESS -- LEANER, MEANER

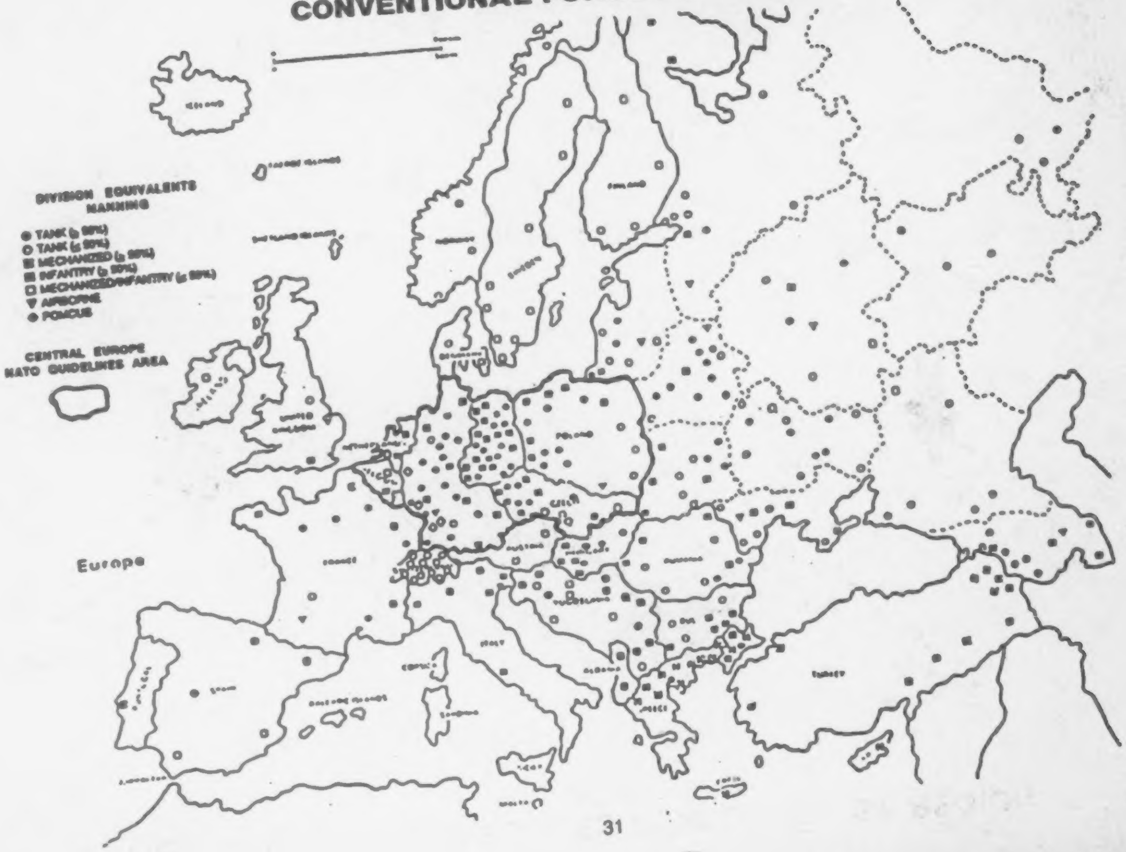
- CURRENT HIGH RATE OF SOVIET WEAPONS PRODUCTION WOULD ALLOW THEM TO REPLACE ALL UNILATERAL CUTS IN LESS THAN FOUR YEARS

- EVEN IF REDUCTIONS MADE IN GOOD FAITH (TAKEN OUT OF ACTIVE UNITS/ NOT REPLACED BY NEW PRODUCTION) THE SOVIET UNION WILL RETAIN SIGNIFICANT MILITARY SUPERIORITY IN MAJOR CONVENTIONAL OFFENSIVE WEAPONRY AND POSSESS THE CAPACITY FOR MOUNTING A LARGE-SCALE OFFENSIVE AGAINST NATO

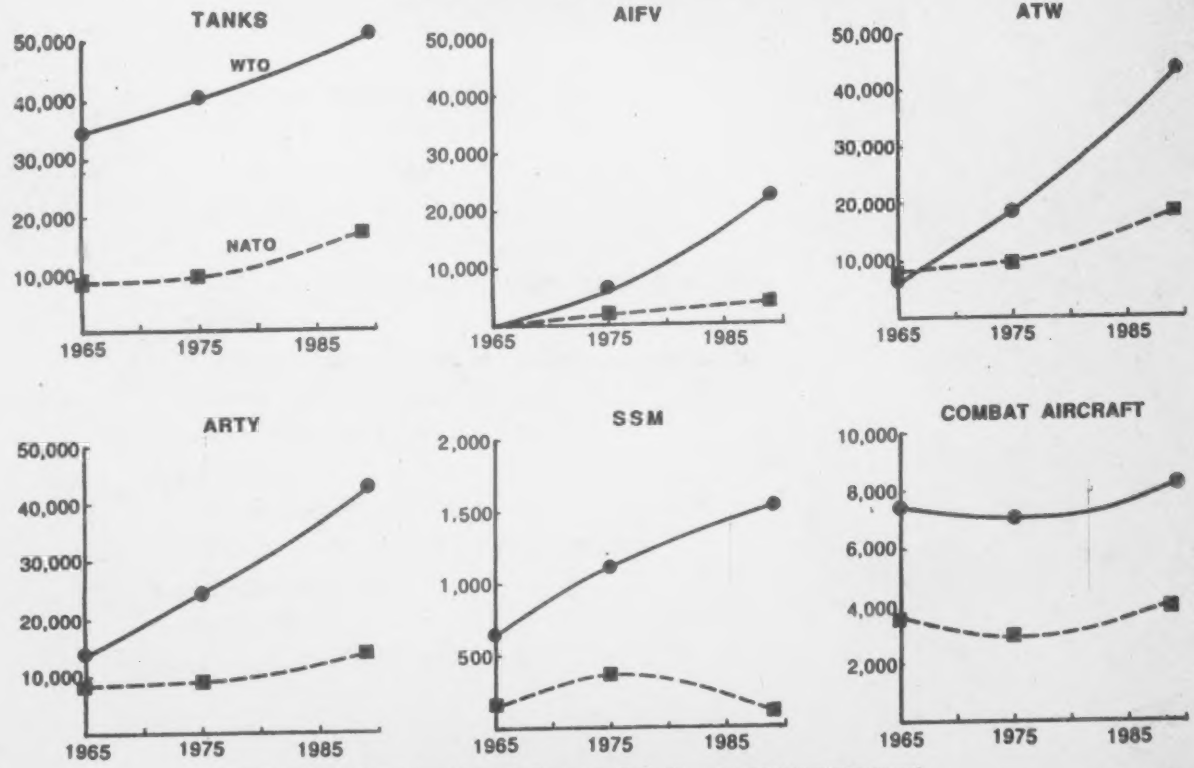
## SOVIET ACTIVE ARMED FORCES PERSONNEL BY REGION


240,000 TROOPS
10% REDUCTION
200,000 TROOPS
17% REDUCTION
60,000 TROOPS
10% REDUCTION

# ATLANTIC TO THE URALS
## CONVENTIONAL FORCE DEPLOYMENT


DIVISION EQUIVALENTS
MANNING
● TANK ([illegible])
○ TANK ([illegible])
▩ MECHANIZED ([illegible])
■ INFANTRY ([illegible])
□ MECHANIZED/INFANTRY ([illegible])
▼ AIRBORNE
◆ POMCUS
CENTRAL EUROPE
NATO GUIDELINES AREA
Europe
POLAND
TURKEY

# TRENDS IN THE CONVENTIONAL IMBALANCE ATLANTIC TO THE URALS



* Based on NATO, Conventional Forces in Europe: the Facts; November 1988 counting rules and methodology. Unit assigned equipment manned at 5% or higher

# SOVIET REDUCTIONS IN THE ATLANTIC-TO-THE-URALS AREA

- DISPOSITION OF REDUCTIONS
  - 10,000 TANKS
    - DESTROY 5,000
    - CONVERSION TO CIVILIAN USE – 5,000
    - REDUCTION IN PRODUCTION?
  - 8,500 ARTILLERY
    - CAN ACCOUNT FOR ONLY 1,000
    - MOST APPEAR TO BE OLD JUNK
    - INCONSISTENT WITH OTHER SOVIET STATEMENTS
  - 800 AIRCRAFT
    - REDEPLOYMENT VERSUS DESTRUCTION NOT CLEAR
    - "NOT OLDEST/NOT LATEST" – MIG-23
    - KEY QUESTIONS:
      - WHY AIR-TO-AIR?
      - WHY MIG-23?
      - WHERE ARE 850 MIG-23s?

# SOVIET REDUCTIONS IN THE ATLANTIC-TO-THE-URALS AREA
(Continued)

- RELEASE OF SOVIET DATA IS A MAJOR INNOVATION FOR THEM
  - SOVIETS ADAMANT – "OUR NUMBERS ARE REAL"
  - DIFFERENCES WITH NATO DATA
    - "COMPREHENSIVE" VERSUS ACTIVE
    - INCLUSION OF "BROADENED" CATEGORIES
      - TANKS / LIGHT TANKS
      - ARTILLERY / LOW CALIBER
      - AIR / NON-UNIT ASSIGNED
  - SOVIETS WILLING TO DIFFERENTIATE DATA BY SUBTYPES AND GEOGRAPHY IN VIENNA DISCUSSIONS

# SOVIET/WARSAW PACT CFE NEGOTIATING POSITION

- IN THE OPENING ROUND OF THE VIENNA TALKS, THE WTO HAS EXPOUNDED A GENERAL PHILOSOPHY, NOT TABLED A SPECIFIC PROPOSAL
  - THERE IS A SURPRISING CONVERGENCE BETWEEN NATO AND THE WTO AT THE PHILOSOPHICAL LEVEL
    -- OFFENSIVE WEAPONS
    -- NATO'S APPROACH TO DEEP CUTS -- THE "PARITY PRINCIPLE"

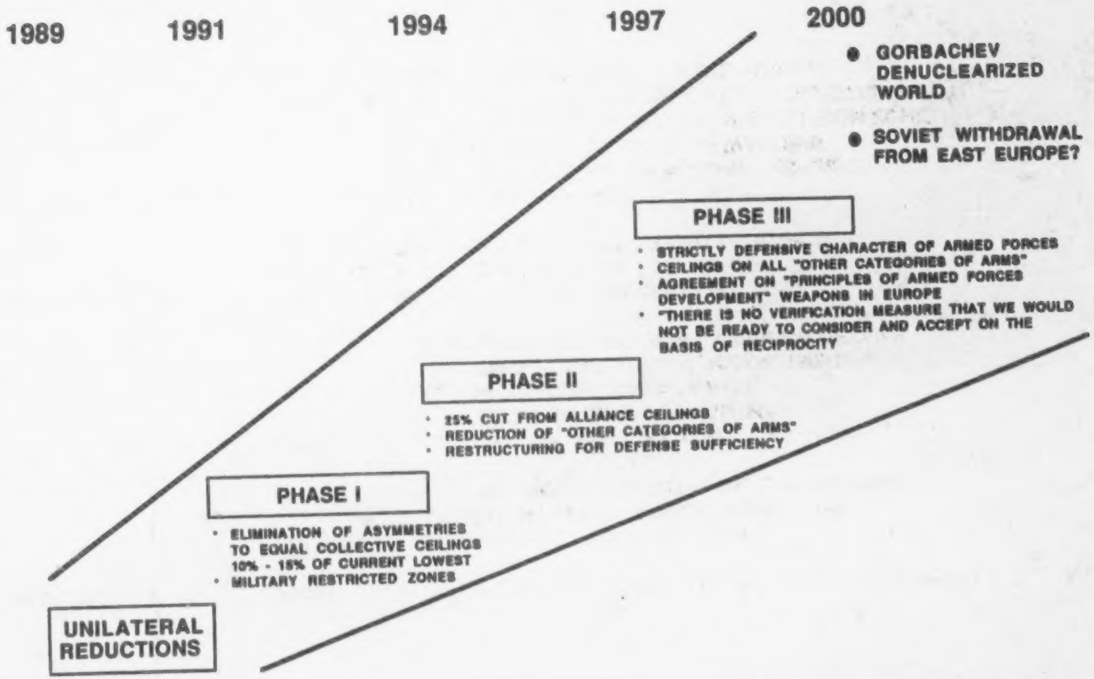
- MAJOR DIVERGENCE IS THAT SOVIETS WANT TO INCLUDE AIRCRAFT AND HELICOPTERS AS OFFENSIVE WEAPONS AND CLAIM THAT NATO IS SUPERIOR IN THESE CATEGORIES
  - THE WARSAW PACT HAS A QUANTITATIVE ADVANTAGE IN COMBAT AIRCRAFT AND ATTACK HELICOPTERS
  - NATO IS NOT SUPERIOR IN EITHER QUANTITY OR QUALITY OF OFFENSIVE "STRIKE AVIATION"
  - THE SOVIET PROPOSAL TO LIMIT ONLY TACTICAL/FRONTAL AVIATION IS EXTREMELY DANGEROUS FOR THE WEST
    -- THEY EXCLUDE 400 SOVIET MEDIUM BOMBERS IN EXCHANGE FOR 18 FRENCH MIRAGE IV
    -- THIS WOULD GREATLY EXACERBATE WTO ADVANTAGE IN OFFENSIVE "STRIKE" CAPABILITY

- SOVIET CONCEPT OF DISARMAMENT BELTS IS NOT ARMS CONTROL EQUIVALENT TO NATO CFE ZONES
  - POLITICALLY DANGEROUS -- TARGETS FRG WITH SPECIAL EXCLUSIONARY STATUS
  - MILITARILY DANGEROUS -- FORCES NATO TO VIOLATE ARMS CONTROL AGREEMENT IN DEPLOYING TO ITS BEST DEFENSIVE TERRAIN

- THE SOVIETS HAVE BEEN PROPAGANDIZING AGAINST NATO SHORT-RANGE SSM (LANCE) MODERNIZATION
  - GIVEN THE PACE OF THEIR OWN MODERNIZATION AND THEIR SUPERIORITY IN FORWARD DEPLOYED SSM, NUCLEAR CAPABLE AIRCRAFT, AND ARTILLERY -- THE WEST SHOULD FEEL UNDER NO OBLIGATION TO LISTEN TO THEIR COMPLAINTS

- THE SOVIETS HAVE A "MASTER PLAN" FOR AN ARMS CONTROLLED EUROPE -- IF THE WEST IS TO TAKE ADVANTAGE OF ITS CFE PROPOSAL, IT SHOULD THINK ABOUT ITS OWN STRATEGIC VISION FOR EUROPE BEYOND VIENNA.

## SOVIET "MASTER PLAN" FOR EUROPEAN ARMS CONTROL



1989 1991 1994 1997 2000

- GORBACHEV DENUCLEARIZED WORLD
- SOVIET WITHDRAWAL FROM EAST EUROPE?

**UNILATERAL REDUCTIONS**

**PHASE I**

- ELIMINATION OF ASYMMETRIES TO EQUAL COLLECTIVE CEILINGS 10% - 15% OF CURRENT LOWEST
- MILITARY RESTRICTED ZONES

**PHASE II**

- 25% CUT FROM ALLIANCE CEILINGS
- REDUCTION OF "OTHER CATEGORIES OF ARMS"
- RESTRUCTURING FOR DEFENSE SUFFICIENCY

**PHASE III**

- STRICTLY DEFENSIVE CHARACTER OF ARMED FORCES
- CEILINGS ON ALL "OTHER CATEGORIES OF ARMS"
- AGREEMENT ON "PRINCIPLES OF ARMED FORCES DEVELOPMENT" WEAPONS IN EUROPE
- "THERE IS NO VERIFICATION MEASURE THAT WE WOULD NOT BE READY TO CONSIDER AND ACCEPT ON THE BASIS OF RECIPROCITY

# SOVIET CONCEPT OF ARMAMENT LIMITATION ZONES

**BACKGROUND**

ORIGIN - EUROPEAN PEACE MOVEMENT "DEFENSIVE DEFENSE"

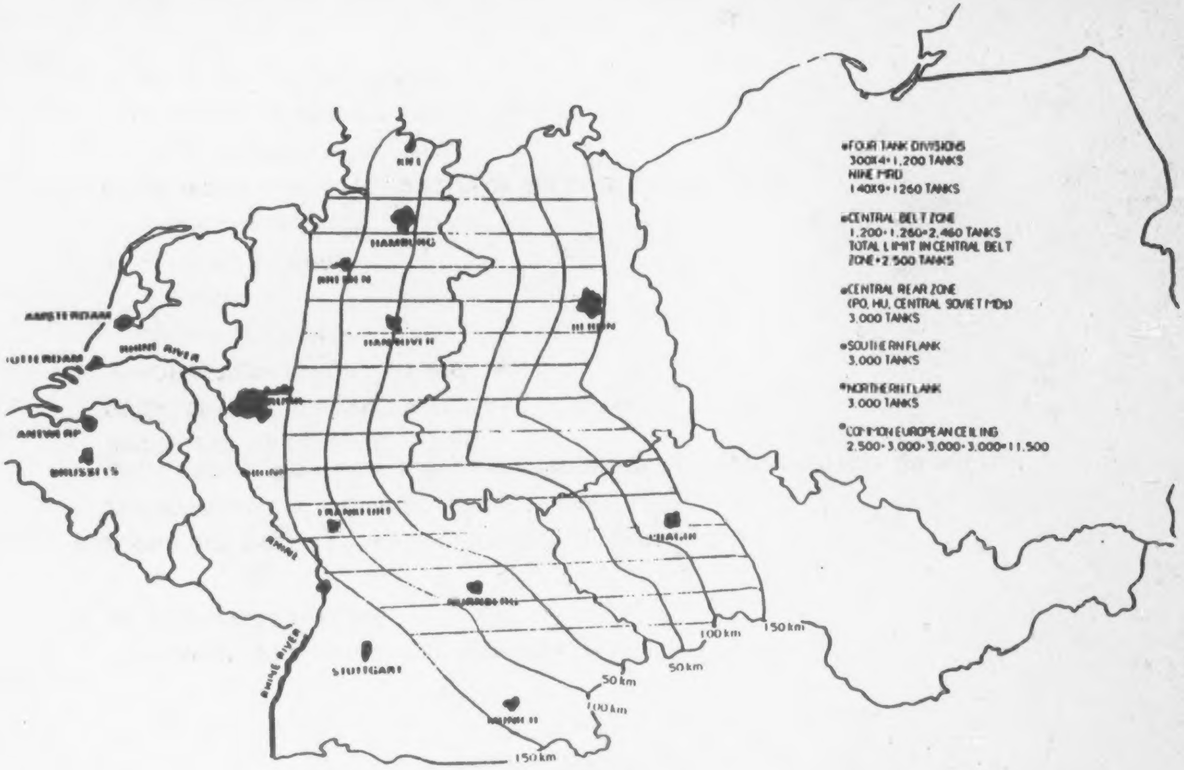
PUBLICITY
- BRZEZINSKI: "TANK FREE ZONE"
- AMERICAN FEDERATION OF SCIENTISTS
  ASYMMETRICAL ZONE NATO 50KM/100KM

SOVIET
- ACADEMY OF SCIENCES 1988
  TWO ZONES: 100KM, 150KM
- KONOVOLOV USA/CANADA INST.
  THREE ZONES: 50KM, 100KM, 150KM
- SHEVARDNADZE: SPEECH – OPEN ON DETAILS

**SOVIET CONCEPT**
- PHASED LIMITATION ON "OFFENSIVE ARMS"
- FOCUSED ON NUCLEAR SYSTEMS
- BACK SSM PEACETIME DEPLOYMENT OUT OF RANGE

**PROBLEMS FOR NATO**
- UNDERMINES FORWARD DEFENSE
  - DEEP ZONE – PREJUDICE AGAINST DEFENSE
  - SHALLOW ZONE – ILLUSION OF WARNING
- FRG ANATHEMA TO "SPECIAL" INCLUSION IN EXCLUSION ZONE
- OPENS BACK DOOR TO INCLUSION OF NUKES – FORESTALLS FOTL
- BAD IDEA WHOSE "TIME HAS COME" – HARD TO KILL

# PROPOSED LIMITATIONS ON TANKS BY ZONE


•FOUR TANK DIVISIONS
300X4=1,200 TANKS
NINE MRD
140X9=1260 TANKS
•CENTRAL BELT ZONE
1,200+1,260=2,460 TANKS
TOTAL LIMIT IN CENTRAL BELT
ZONE=2,500 TANKS
•CENTRAL REAR ZONE
(PO, HU, CENTRAL SOVIET MDs)
3,000 TANKS
•SOUTHERN FLANK
3,000 TANKS
•NORTHERN FLANK
3,000 TANKS
•COMMON EUROPEAN CEILING
2,500+3,000+3,000+3,000=11,500
AMSTERDAM
ROTTERDAM
RHINE RIVER
ANTWERP
BRUSSELS
KIEL
HAMBURG
BREMEN
HANNOVER
BERLIN
RUHR
FRANKFURT
RHINE
STUTTGART
NURNBERG
MUNICH
RHINE RIVER
50 km
100 km
150 km
50 km
100 km
150 km

# AIR AS A PROBLEM IN CFE

- COMBAT AIRCRAFT ARE INCLUDED IN THE CFE MANDATE
  - AMBIGUITY ON NAVAL AIR

- REASONS WHY THE WEST HAS NOT INCLUDED AIR IN PROPOSAL
  - FRENCH ADAMANT – MIRAGE IV NUCLEAR CAPABILITY
  - WEST DEPENDS ON AIR FOR ITS DEFENSE MORE THAN WTO DEPENDS ON AIR FOR SUCCESS OF ITS OFFENSE
  - GREAT DIFFICULTIES IN DEFINITION AND COUNTING
    - ACTIVE VERSUS NON-UNIT ASSIGNED
    - DIFFERENTIATION OF ROLES
      - AIR-TO-AIR
      - AIR-TO-GROUND
      - RECONNAISSANCE
  - RAPID REDEPLOYMENT FLEXIBILITY OF AIR RAISES DIFFICULTIES
    - APPLICABILITY OF SUB-ZONES?
    - PROBLEMS OF VERIFICATION
    - LIMITS ON RAPID REINFORCEMENT

# AIR AS A PROBLEM IN CFE

(Continued)

- SOVIETS INSISTENT ON INCLUSION OF TACTICAL AIR
  - CONCERN OVER WESTERN OFFENSIVE STRIKE POTENTIAL
  - WANT TO CAPTURE
    - U.S. RAPID REINFORCEMENT
    - WESTERN NAVAL AIR
  - SOVIETS PLAYING GAMES BY EXCLUDING BACKFIRE
- IN REALITY BOTH SIDES ARE AT NEAR PARITY IN OFFENSIVE GROUND ATTACK/STRIKE AVIATION PLATFORMS PHYSICALLY DEPLOYED IN PEACETIME IN THE ATLANTIC-TO-THE-URALS REGION

# COMPARING THE NUMBERS

## ESTIMATES OF NATO AIRCRAFT IN EUROPE

Total Aircraft Counted By WP & NATO

| | NATO Aircraft according to WP estimates | NATO Aircraft according to NATO estimates |
|---|---|---|
| UNITED STATES | 810 | 800 |
| GREAT BRITAIN | 790 | 445 |
| FED REP of GERMANY | 680 | 547 |
| FRANCE | 580 | 450 |
| NORWAY | 100 | 78 |
| DENMARK | 100 | 87 |
| BELGIUM | 170 | 144 |
| NETHERLANDS | 180 | 162 |
| LUXEMBORG | 0 | 0 |
| ITALY | 430 | 250 |
| GREECE | 460 | 319 |
| PORTUGAL | 150 | 99 |
| SPAIN | 280 | 186 |
| TURKEY | 630 | 370 |
| CANADA | 50 | 40 |
| ICELAND | 0 | 0 |
| TOTAL | 5,500 | 3,977 |

WP ESTIMATES OF NATO AIRCRAFT ARE 1,523 AIRCRAFT HIGHER THAN NATOs OWN ESTIMATES

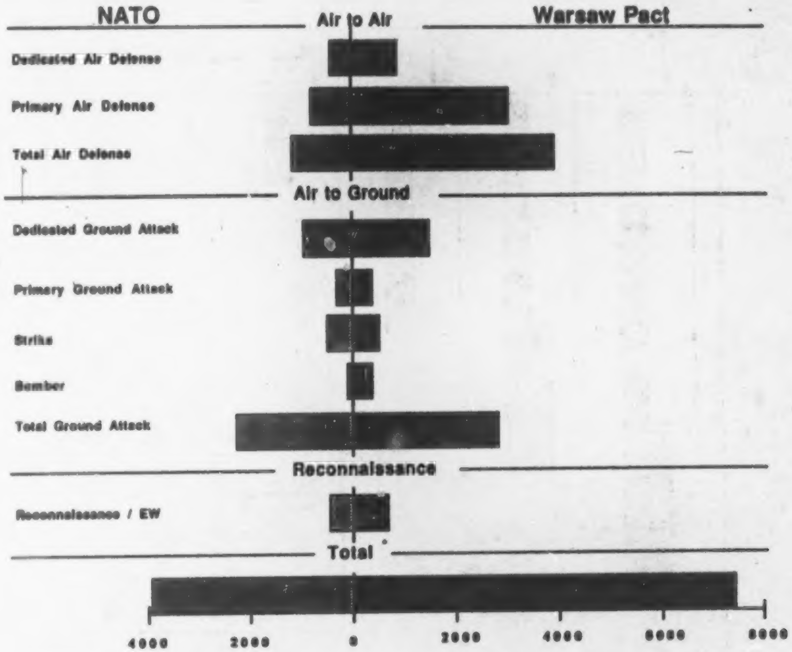
## ESTIMATES OF WARSAW PACT AIRCRAFT IN EUROPE

Total Aircraft Counted By WP & NATO

| | WP Aircraft according to WP estimates | WP Aircraft according to NATO estimates |
|---|---|---|
| USSR | 5,287 | 6,050 |
| POLAND | 480 | 700 |
| GERMAN DEM REP | 283 | 350 |
| CZECHOSLOVAKIA | 407 | 400 |
| BULGARIA | 234 | 250 |
| HUNGARY | 113 | 150 |
| ROMANIA | 380 | 350 |
| TOTAL | 7,184 | 8,250 |

WP ESTIMATES OF THEIR OWN AIRCRAFT ARE 1,066 AIRCRAFT LOWER THAN NATOs ESTIMATES

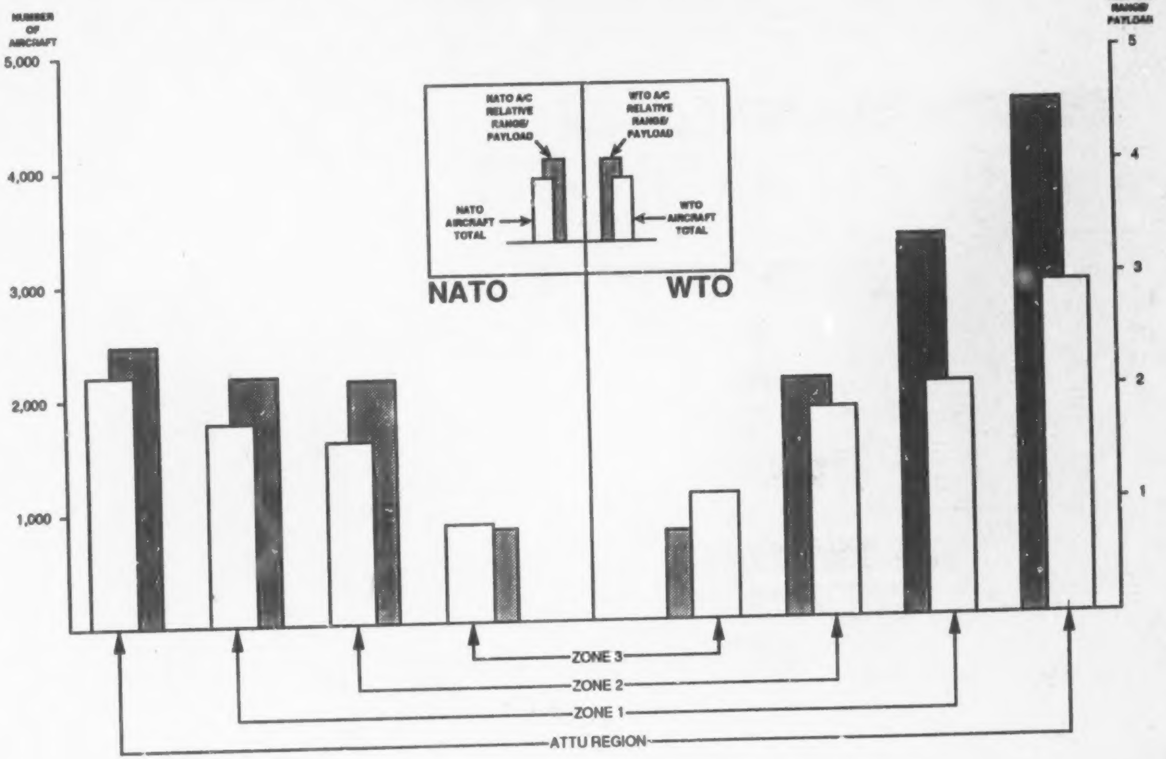
# NATO IS NOT SUPERIOR IN OFFENSIVE AIR



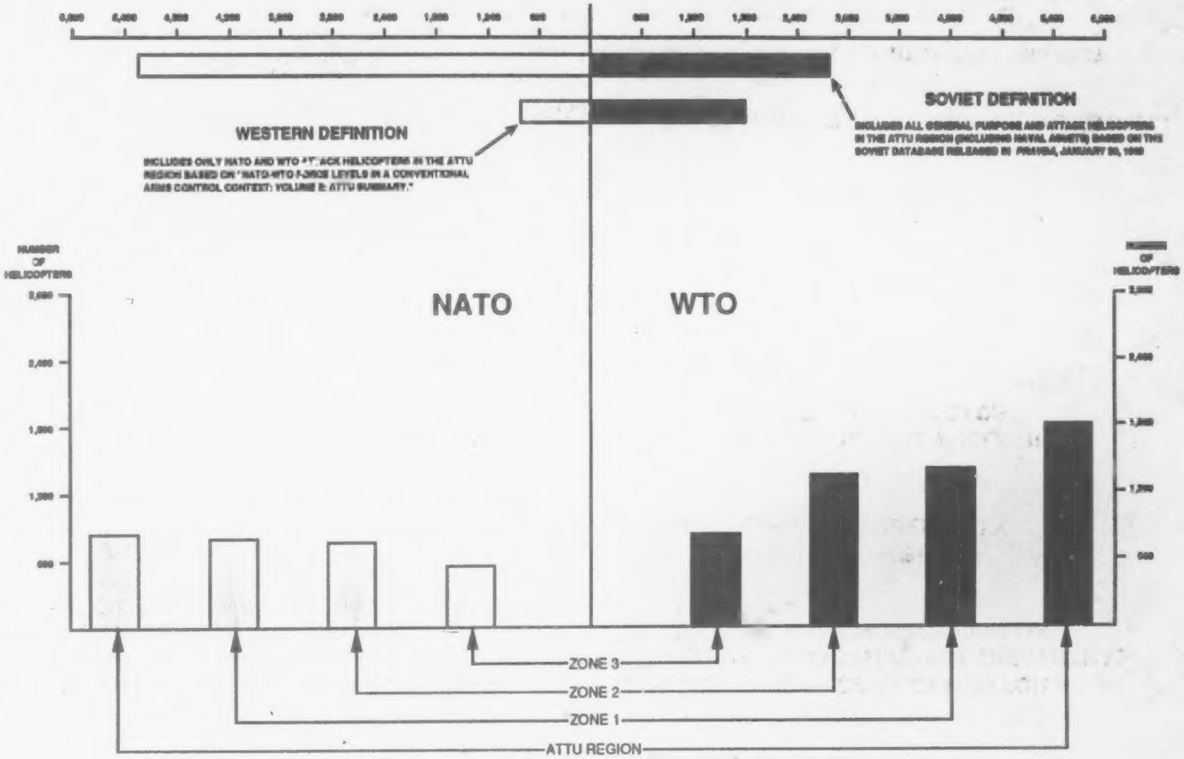
Source : Derived from Phillip A. Karber, *NATO - Warsaw Pact Force Levels in a Conventional Arms Control Context Volume II: Atlantic-to-the-Urals Summary*, August 11, 1988

* Does not include naval aircraft, either shore or ship-based

# NATO/WTO AIRCRAFT TOTALS AND RANGE/PAYLOAD VALUE BY ZONE



# NATO IS NOT SUPERIOR IN ATTACK HELICOPTERS



**WESTERN DEFINITION**

INCLUDES ONLY NATO AND WTO ATTACK HELICOPTERS IN THE ATTU REGION BASED ON "NATO-WTO FORCE LEVELS IN A CONVENTIONAL ARMS CONTROL CONTEXT: VOLUME 2: ATTU SUMMARY."

**SOVIET DEFINITION**

INCLUDES ALL GENERAL PURPOSE AND ATTACK HELICOPTERS IN THE ATTU REGION (INCLUDING NAVAL ASSETS) BASED ON THE SOVIET DATABASE RELEASED IN PRAVDA, JANUARY 30, 1989

# CFE AND BATTLEFIELD/TACTICAL NUCLEAR MODERNIZATION

- THE SOVIETS HAVE ARGUED THAT US/NATO R&D PLANS TO DEVELOP AN OPTION FOR A FOLLOW-ON TO LANCE IS EVIDENCE OF "BAD FAITH" IN THE WEST GIVEN THAT THE WTO HAS ANNOUNCED THE CONVENTIONAL UNILATERAL REDUCTIONS AND A MORATORIUM ON TACTICAL NUCLEAR MODERNIZATION

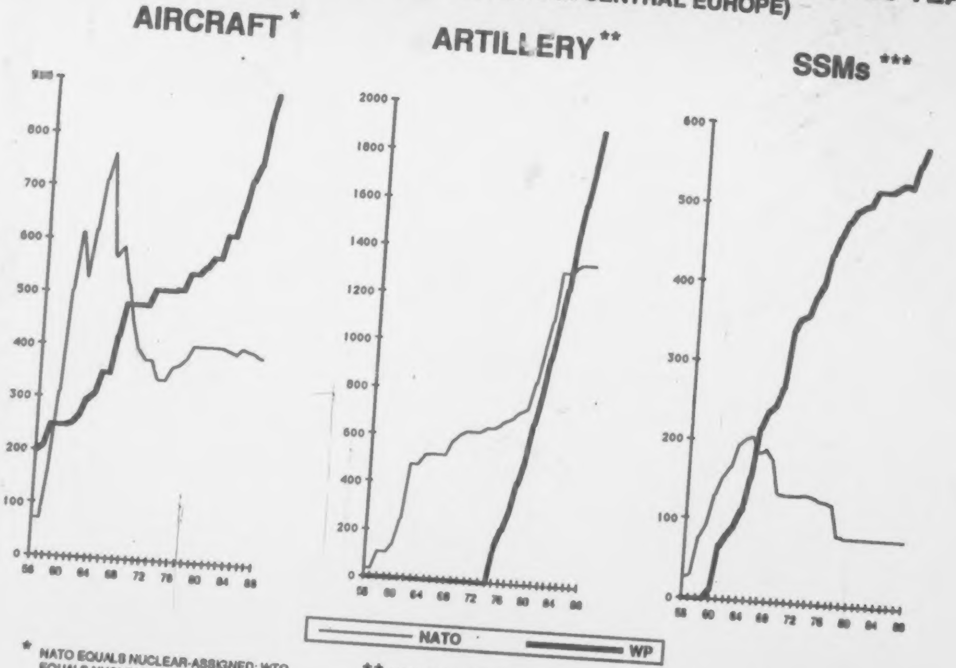
- GORBACHEV APPEARS TO BE HONESTLY COMMITTED TO THE OBJECTIVE OF A DENUCLEARIZED WORLD BY THE YEAR 2000 – EITHER HE IS BEING DELIBERATELY DISINGENUOUS OR IS BEING DECEIVED

- EXPANSION AND MODERNIZATION OF SOVIET/WTO BATTLEFIELD/TACTICAL NUCLEAR ASSETS IN CENTRAL EUROPE HAS GREATLY INCREASED OVER THE LAST DECADE
  - 163% INCREASE IN NUCLEAR-CAPABLE STRIKE AIRCRAFT
  - 392% INCREASE IN NUCLEAR-CAPABLE ARTILLERY
  - 17% INCREASE IN SURFACE-TO-SURFACE MISSILES
    - – WITH 81% OF THE SSM FORCE MODERNIZED WITH SS-21 AND SCUD B

- DESPITE SOVIET CLAIMS TO THE CONTRARY BATTLEFIELD/TACTICAL NUCLEAR MODERNIZATION IS CONTINUING
  - CONTINUED SS-21 ENTRY INTO EAST EUROPEAN FORCES
  - ACCELERATED INTRODUCTION OF NUCLEAR-CAPABLE ARTILLERY INTO SOVIET AND EAST EUROPEAN FORCES
  - INTRODUCTION OF EXTENDED RANGE SCUD/AIR-TO-SURFACE STANDOFF MISSILE
  - INDICATIONS OF ADVANCED TACTICAL NUCLEAR WARHEAD DESIGN (ENHANCED RADIATION)

# THE WARSAW PACT HAS RADICALLY CHANGED THE BATTLEFIELD/TACTICAL NUCLEAR BALANCE IN CENTRAL EUROPE OVER THE PAST 10 YEARS

(NUCLEAR-CAPABLE ASSETS IN CENTRAL EUROPE)

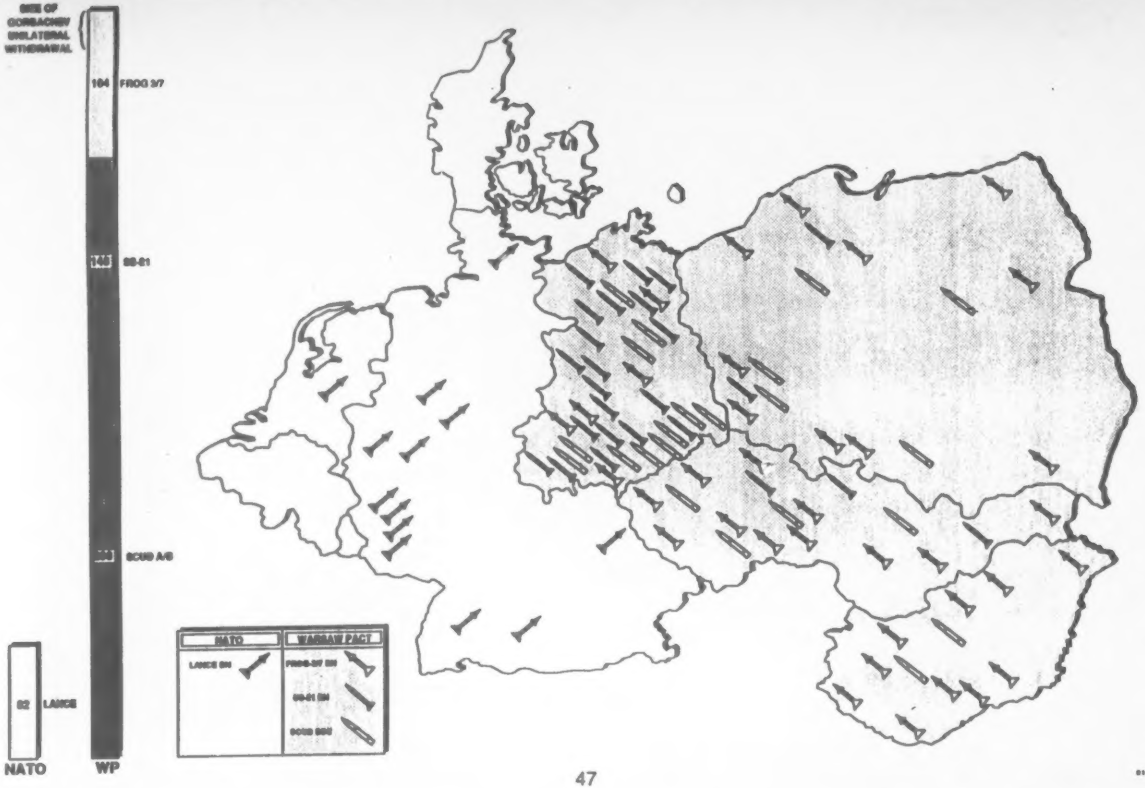


* NATO EQUALS NUCLEAR-ASSIGNED; WTO EQUALS NUCLEAR-CAPABLE IN GROUND ATTACK REGIMENTS.

** NATO EQUALS NUCLEAR-CERTIFIED DAVY CROCKETT, 155 mm and 203 mm; WTO EQUALS SP 152 mm, SP 203 mm, and SP 240 mm MORTAR.

*** BATTLEFIELD/SHORT-RANGE SYSTEMS: NATO -- HONEST JOHN, SERGEANT, LACROSSE, LITTLE JOHN, LANCE; WTO -- FROG 1-7, SCUD A/B, SS-21.

# CENTRAL REGION POST-INF NUCLEAR-CAPABLE LAUNCHERS


SIZE OF GORBACHEV UNILATERAL WITHDRAWAL
104 FROG 3/7
SS-21
SCUD A/B
82 LANCE
NATO
WP
NATO
WARSAW PACT
LANCE BN
FROG-3/7 BN
SS-21 BN
SCUD BDE

# IMPLICATIONS FOR U.S. STRATEGY

- FOR 40 YEARS, THE U.S. AND OUR NATO EUROPEAN ALLIES HAVE BEEN ENGAGED IN AN INTENSE AND COSTLY COMPETITION IN CONVENTIONAL FORCES WITH THE SOVIET UNION AND THEIR CLIENTS OVER THE SECURITY OF WESTERN EUROPE
- OVER THOSE 40 YEARS OUR OBJECTIVE HAS REMAINED THE SAME – DETER AGGRESSION AND PROVIDE A CREDIBLE DEFENSE SHOULD DETERRENCE FAIL.
- HOWEVER, OUR STRATEGY HAS CHANGED AND THE CONVENTIONAL MILITARY BALANCE HAS TAKEN ON INCREASING IMPORTANCE FOR BOTH OUR DEFENSIVE CAPABILITY AND DETERRENT CREDIBILITY.
- A MILITARILY SIGNIFICANT ARMS CONTROL CAN HELP MEET OUR HISTORIC OBJECTIVES AND CONTRIBUTE TO AN ENVIRONMENT WHERE COMPETITION IS PROGRESSIVELY REPLACED BY COOPERATION.
- NATO'S CFE POSITION SHOULD BE AN INEXTRICABLE ELEMENT OF U.S. NATIONAL SECURITY STRATEGY
    - IT CAN PROVIDE TIMELY AND PUBLICLY PERCEPTIBLE CALIBRATION OF A CHANGING CONVENTIONAL BALANCE
    - IT COMMUNICATES TO THE SOVIET UNION WHAT THEY NEED TO DO IN ORDER TO ENJOY THE BENEFITS OF COOPERATION RATHER THAN THE COSTS OF COMPETITION
    - IF ACCEPTED, NATO'S CFE PROPOSAL WILL PROVIDE A DRAMATIC INCREASE IN MUTUAL SECURITY AND A DRAMATIC DECREASE IN THE ECONOMIC BURDEN OF DEFENSE FOR BOTH SIDES
- THE WESTERN CFE POSITION CAN PROVIDE A STABILIZING FRAMEWORK FOR A NEW ERA IN EAST-WEST RELATIONS, AND AS THE BASIS FOR THE DEVELOPMENT OF CREATIVE NEW WESTERN POLITICAL THINKING ABOUT THE FUTURE.

# WESTERN CFE NEGOTIATING STRATEGY

- GIVE OUR NEGOTIATORS A CHANCE TO NEGOTIATE.
- WESTERN POLITICIANS, PUNDITS, AND PUBLICITY SEEKERS ARE ALREADY CONDEMNING NATO'S PROPOSAL BEFORE WE'VE HAD A CHANCE TO EXPLAIN IT TO THE OTHER SIDE, LET ALONE OUR OWN PUBLICS.
    - WE SHOULD KNOW WITHIN TWO YEARS OF TOUGH NEGOTIATING WHETHER AN AGREEMENT IS ACHIEVABLE
    - SIDELINE SNIPING AT THE WESTERN PROPOSAL WILL NOT INCREASE EITHER THE PROBABILITY OR TEMPORAL PROXIMITY OF AN AGREEMENT
- NATO'S CFE PROPOSAL IS AMBITIOUS AND, IF ACCEPTED, WOULD PRODUCE A FUNDAMENTALLY "NEW BALL GAME" IN TERMS OF BOTH DIPLOMACY AND RESOURCE SAVINGS.
- CALLS FOR DEEPER (I.E., 50%) CUTS ARE NEITHER SOUND NOR MILITARILY STABILIZING
    - THERE IS NO MILITARY ASSESSMENT WHICH SHOWS THAT 50% CUTS IN CURRENT NATO FORCE LEVELS INCREASE STABILITY
    - THE ECONOMIC COSTS REQUIRED BY HIGHER LEVELS OF READINESS AND FEAR OF MODERNIZATION VULNERABILITY OF A SMALL FORCE ARE LIKELY TO OUTWEIGH SAVINGS IN FORCE STRUCTURE
    - THE BEST WAY TO IMPROVE CURRENT BURDENSHARING IS NOT THROUGH DRACONIAN FORCE STRUCTURE CUTS, BUT THROUGH THE UTILIZATION OF EUROPEAN RESERVES FREED UP BY A SUCCESSFUL CFE

# WESTERN CFE NEGOTIATING STRATEGY (CONT.)

  - CONVENTIONAL ARMS CONTROL SHOULD SEEK TO INCREASE REAL MILITARY CONFIDENCE IN THE STABILITY OF RESIDUAL PARITY, NOT INCREASE UNCERTAINTY AND INSECURITY

- THE CONCEPT OF DISARMAMENT BELTS IS NON-NEGOTIABLE
  - DON'T WANT TO REPLACE THE IRON CURTAIN WITH AN ARMS CONTROL CURTAIN
  - BOTH THE SOVIETS AND THE WESTERN ACADEMICS WHO PROPOSE THEM SHOULD REALIZE THAT THE PERPETUATION OF THIS CONCEPT WILL ONLY PROLONG THE NEGOTIATIONS INTO UNPRODUCTIVE PERPETUITY

- THE WEST SHOULD BE WILLING TO INCLUDE COMBAT AIRCRAFT AND ATTACK HELICOPTERS IN WORKING GROUP DISCUSSIONS OF DATA AND COUNTING RULE CONVENTIONS; AND SERIOUSLY CONSIDER WARSAW PACT PROPOSALS ON THESE SYSTEMS, HOWEVER:
  - BEWARE OF WTO GROSS DISTORTION OF CATEGORIES
  - REALIZE THAT VERIFICATION MEASURES FOR AERIAL SYSTEMS WILL BE MUCH MORE COMPLICATED AND LESS CONCLUSIVE THAN FOR THE GROUND
  - ENSURE THAT WESTERN PUBLICS AND POLITICIANS REALIZE THAT WE HAVE NOTHING TO HIDE

# WESTERN CFE NEGOTIATING STRATEGY (CONT.)

- TECHNOLOGICAL MODERNIZATION OF WESTERN CONVENTIONAL FORCES IS NOT A SUBJECT UNDER THE VIENNA MANDATE; IS NOT AN EXERCISE OF "BAD FAITH"; IS A REQUISITE FOR MAINTAINING A STABLE CONVENTIONAL BALANCE
    - ALL SOVIET WEAPONS PROGRAMS ARE "BLACK PROGRAMS"
    - WE FACE A "BATHTUB OF IGNORANCE" ON SOVIET R&D -- WE SHOULD EXPECT TO CONTINUE TO BE SURPRISED
    - THE U.S. MUST GIVE PRIORITY TO CONVENTIONAL ADVANCED TECHNOLOGY PROGRAMS -- SUCH AS THE BALANCED TECHNOLOGY INITIATIVE (BTI)
    - THE U.S NEEDS TO PURSUE JOINT ARMAMENTS COOPERATION WITH ITS ALLIES
- WESTERN UNILATERAL FORCE REDUCTIONS ARE A BAD IDEA UNTIL AT LEAST 1991 SO THAT WE CAN VERIFY THE GORBACHEV CUTS.
- IT IS TIME TO START THINKING ABOUT THE IMPLICATIONS OF AN "ARMS-CONTROLLED" EUROPE IN A POST-VIENNA SETTLEMENT FOR:
    - THE FUTURE ROLE OF NATO
    - THE FUTURE ROLE OF NUCLEAR WEAPONS
    - THE FUTURE ROLE OF U.S. FORCES ON THE CONTINENT

# THE SOVIETS ARE PRESSING THE ISSUE OF U.S. UNILATERAL REDUCTIONS

"The Warsaw Pact Defense Ministers... expressed the hope that NATO members will demonstrate their readiness to move toward the strengthening of stability and security in Europe, in part through the implementation of unilateral measures to reduce armed forces and armaments.

Thus far, however, NATO has gone no further than assurances of its 'peaceability'."

– Yazov, February 28, 1989

WHY NOT?

- SOVIET ANNOUNCED REDUCTION PLANS HAVE NOT STARTED YET. AS OF *TODAY* THE SOVIET CONVENTIONAL MILITARY THREAT TO WESTERN EUROPE IS STRONGER THAN AT ANY OTHER TIME IN THE LAST QUARTER CENTURY.
- BY SOVIET ADMISSION, CUTS WILL NOT BE COMPLETED UNTIL NOVEMBER/DECEMBER 1990.
- SOVIETS NEED TO RECOGNIZE WEAKNESS OF "UNILATERAL APPROACH"
  - ABSENCE OF FORMAL TREATY -- UNILATERAL CUTS CAN BE REVERSED AT ANY TIME.
  - WEST MUST WAIT MONTHS AFTER "DUST SETTLES" TO ASSESS REAL VERSUS RHETORICAL MILITARY IMPACT.
  - MANY UNCERTAINTIES REMAIN ABOUT EAST EUROPEAN/SOVIET INTERIOR REDUCTION PLANS.
  - AFTER UNILATERAL CUTS SOVIETS AND WARSAW PACT WILL STILL HAVE SUPERIORITY IN "LARGE SCALE OFFENSIVE" CAPABILITY WITHIN ATTU REGION

# THE PROPOSAL OF A CONGRESSIONALLY-MANDATED U.S. TROOP CUT IN EUROPEAN DEPLOYED FORCES IS A BAD IDEA

- WRONG REASON

  U.S. TROOP LEVELS SHOULD BE SET BY NATIONAL STRATEGY AND ARMS CONTROL OBJECTIVES – NOT IMAGINARY "BURDEN-SHARING" EQUITY
- WRONG HISTORY

  U.S. MADE SIGNIFICANT UNILATERAL CUTS IN CONVENTIONAL CAPABILITY IN 1985 – TO WHICH THE SOVIETS ONLY NOW ARE RESPONDING:
  - WITHDRAWAL OF U.S. ARMY 4TH BRIGADE, 4TH DIVISION FROM MAINZ
  - WITHDRAWAL OF U.S. AIR FORCE WING FROM SEMBACH
- WRONG ASSETS

  INF REDUCTIONS HURT NATO CONVENTIONAL CAPABILITY
  - GOING IN, P-II COST U.S. ARMY MANPOWER NEEDED FOR CONVENTIONAL FIRE SUPPORT
  - GOING OUT, GLCM COST SIGNIFICANT CUTS IN U.S. CONVENTIONAL TACTICAL AIR SORTIES

  RETENTION OF PERSONNEL OFFERS CONVENTIONAL CAPABILITY CURRENTLY NEEDED
  - MLRS UNITS
  - AIR CREWS FOR HIGHER SORTIE RATE
- WRONG TIMING

  U.S. SHOULD WAIT UNTIL 1991
  - GORBACHEV CUTS COMPLETED
  - P-II/GLCM COMPLETELY WITHDRAWN
  - NEGOTIATION OF PHASE I CFE
- WRONG "SHORT-SIGHTED" PAYOFF

  FOUR DECADES INVESTMENT IN GIVING SOVIETS INCENTIVE TO NEGOTIATE SHOULD NOT BE SQUANDERED DUE TO SEVERAL MONTHS IMPATIENCE

  NEAR TERM MILLIONS NOT WORTH JEOPARDIZING LONG-TERM SAVINGS IN BILLIONS

# POST-VIENNA: IMPLICATIONS OF AN "ARMS-CONTROLLED" EUROPE

**THE ROLE OF NATO**

- BEST INSTITUTIONAL DEVICE THAT COULD BE CREATED TO:
  - COORDINATE JOINT VERIFICATION
  - MONITOR EAST AND WEST COMPLIANCE
  - PROVIDE SANCTION FOR VIOLATION
- IF NATO DID NOT EXIST -- WE WOULD NEED TO INVENT IT

**THE ROLE OF NUCLEAR WEAPONS**

- IN A POST-VIENNA SETTLEMENT TRADITIONAL LOGIC IS LESS PERSUASIVE
  - "FIRST USE" IN THE ABSENCE OF A CONVENTIONAL THREAT?
  - FORWARD DEPLOYMENT WHEN SUPERPOWER FORCES AREN'T?
- NEVERTHELESS NUCLEAR ASSETS WILL REMAIN BEST INHIBITOR TO THEIR OWN FIRST USE

**THE ROLE OF U.S. MILITARY PRESENCE**

- U.S. FORCES ARE BOTH A MILITARY AND POLITICAL COUNTERWEIGHT TO THE INHERENT PROXIMITY AND SIZE OF SOVIET CONVENTIONAL POTENTIAL
- A MUTUALLY NEGOTIATED "RESIDUAL" COMMAND AND LOGISTICS PRESENCE -- IN THE AGREED ABSENCE OF ACTIVE FORCES -- MIGHT BE MORE STABLE THAN "ALL OR NOTHING"

Chairman NUNN. Thank you very much, Mr. Karber.

Our next witness is Stan Sloan. Stan has done a great deal of work with the NATO North Atlantic Assembly. I was affiliated with the NATO 2000 group headed by Senator Bill Roth and a number of Members of Congress that brought together members of the Parliaments in Europe, and Stan Sloan was the study director. He recently edited a new book, "NATO in the 1990s," that reflects the work of the NATO 2000 group.

Stan, we are delighted to have you testifying before the committee today. I understand you are going to focus your remarks primarily on the allied view of the proposed reductions.

## STATEMENT OF STANLEY R. SLOAN, SENIOR SPECIALIST IN INTERNATIONAL SECURITY POLICY, CONGRESSIONAL RESEARCH SERVICE, LIBRARY OF CONGRESS

Mr. SLOAN. Thank you, Mr. Chairman, members of the committee.

I will be looking at allied attitudes toward these negotiations.

With your permission, I am submitting for the record an analysis of the Western negotiating approach, which will appear later this month in NATO Review, and which hopefully will not fit into Mr. Karber's category of undue criticism, but will be seen as constructive commentary.

[The information follows:]

[to be published April 1989 issue of NATO Review]

# CONVENTIONAL ARMS CONTROL
# THE SEARCH FOR A POLITICAL VISION

by
Stanley R. Sloan
Senior Specialist, International Security Policy
Congressional Research Service[1]

The NATO countries had virtually everything required for opening the new negotiations on Conventional Armed Forces in Europe (CFE) when they began in Vienna this March. They had a coordinated set of Western reduction objectives, agreement with the Warsaw Pact countries on the general mandate for the negotiations, a generation or two of seasoned conventional arms negotiators, and even some optimism that, unlike the MBFR negotiations[2], the new talks could yield results.

What the allies lacked, however, was a comprehensive political vision of the sort of Europe toward which these negotiations should lead. A survey of the many documents that make up the Western approach to the new talks reveals a variety of important military goals and even some political vision. The Western approach was summarized by NATO leaders at their March 1988 summit when they declared that the negotiations should seek "to establish a situation in Europe in which force postures as well as the numbers and deployments of weapon systems no longer make surprise attack and large-scale offensive action a feasible option." It is hoped that the necessary broad political framework for the talks will be established by the allies when they meet at the end of May for a further summit meeting.

## Western Position

The opening Western position is based on a complex formula designed to produce reductions in NATO and Warsaw Pact tanks, armored troop carriers and artillery down to approximately 90 to

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[1] These views are those of the author and not necessarily those of the Congressional Research Service or the Library of Congress.

[2] The negotiations on Mutual and Balanced Force Reductions, as they were known in the West, opened formally in October 1973 and were ended without reaching agreement in February 1989.

95 percent of current NATO levels. Overall limits would be set on total holdings of armaments in Europe by NATO and Warsaw Pact countries. For example, the total of NATO plus Warsaw Pact tanks could not exceed 40,000, troop carriers 56,000, and artillery 33,000. Within these limits, no one country could deploy more than 30 percent of the total. This formula is designed to ensure that reductions cut more heavily into Soviet than East European forces, because Soviet forces are the leading edge of the military threat against the West as well as an instrument of Soviet political influence and control in Eastern Europe.

The Western position is based on the argument that force asymmetries favoring the Pact are the main source of potential military instability in Europe. Throughout NATO's 40 years, the Soviet Union and its East European allies have deployed conventional military forces that outnumber those of the Western states and which are trained, equipped and deployed to facilitate offensive operations against the West.

The MBFR negotiations focused on defense manpower as the key indicator of military strength. Differences between NATO and the Warsaw Pact over existing manning levels of Warsaw Pact forces became the main technical obstacle to an agreement. Throughout MBFR's history, however, the real problem blocking agreement was a shortage of political will. On the Western side, the existence of negotiations was important to many NATO countries but there was no groundswell of political interest in the talks. In more recent years, many Western analysts became convinced that MBFR's focus on manpower and the exclusion of Soviet territory from the reduction area could yield an agreement that might reduce Western public perceptions of the threat without seriously mitigating the threat itself.

Even if there had been stronger political commitment to reductions on the Western side, however, it is unlikely that an accord would have been reached because agreement would have required even more fundamentally difficult decisions by the Soviet Union. For most of MBFR's history, the Soviet Union was not willing to envision the sort of political change that a conventional arms control agreement with the West would have implied.

**The Challenge**

Set against this legacy, reaching an accord in the new negotiations will require that the participants commit substantially more political will to that goal than they did in MBFR. The Soviet Union and its Warsaw Pact allies have attempted to demonstrate their political will by announcing unilateral cuts to be made over the next two years. The unilateral reductions, if implemented, will cut into, but not eliminate, the numerical advantages the Warsaw Pact holds over the West. Soviet leader Gorbachev has also produced a vision of a "common European house" which gives some rhetorical shape to the Warsaw Pact's image of Europe's future. The design of that common house remains an open question and the depth of the East's political will is yet to be tested. Opening Warsaw Pact positions in the new talks, while differing from NATO's approach in many ways, demonstrate serious intent and an apparent willingness to compromise.

The challenge to the NATO countries is therefore a complex one. The West's approach must respond to the technical merits and demerits of the Eastern proposals and to the military situation as seen by Western countries. The initial Western negotiating position is focused particularly on this requirement.

The West's approach must also have sufficient political character to respond to Eastern political images, such as the European house, and the potential for revolutionary change in the structure of East-West relations in Europe. The West's opening position reflects the goal of diminishing Soviet control over the internal policies of its East European allies. But this political goal may be an insufficient foundation on which to build the structure of a new European security system that a verifiable and stabilizing conventional force cut regime would require.

Past Soviet policies and behavior engendered a set of almost automatic and well-deserved suspicious reflexes in the West. We know how to deal with the "old" Soviet Union. Should the Soviet Union revert to its old ways, NATO would have very little difficulty returning to the tried and proven policies developed over four decades of confrontation. On the other hand, if Gorbachev leads the Soviet Union toward policies and practices that are more compatible with Western interests, the West will have to develop new responses. The West's approach to the CFE negotiations is only partly developed in this area.

Finally, the West's approach will have to respond to political and economic requirements arising within the Western alliance itself. The West's negotiating approach will not only be tested in the meeting rooms of Vienna's Hofburg palace. It will also be questioned and critiqued in the parliaments and news media of member countries. The approach will be measured against political and economic constraints on defense spending as well as against the technical merits and political vision of the East's position.

Even though it is common today for commentators to emphasize the decline of U.S. influence and power relative to its allies, the NATO alliance still depends on U.S. leadership to give impetus and direction to alliance policies. Most planning for the new CFE talks came at a time when Ronald Reagan's presidency was winding down, with most of its arms control energy spent on successful negotiation of the U.S.-Soviet treaty eliminating intermediate range nuclear force (INF) missile systems.

Now that a new administration has taken over in Washington, the NATO alliance is in a better position to develop a more far-reaching political context for its approach to the CFE negotiations. Capable diplomats and experts from many allied nations constructed a credible opening position for the alliance. Now the new administration of President George Bush has an opportunity to give that position the political weight and vision that such negotiations require for success.

## Toward a Political Vision

It is much easier to note the absence of political vision than to articulate one that will respond effectively to the disparate perspectives and requirements of 16 sovereign nations. Nonetheless, the process might begin by asking a series of questions about goals for the new negotiations.

### What response to Gorbachev?

The most immediate requirement for U.S. and NATO policy is to decide how to respond to the unilateral Soviet cuts announced by Mikhail Gorbachev in a speech to the United Nations General Assembly on 7 December 1988, and the parallel East European announcement of military reductions that followed. The initial NATO response of "nice but not enough" was a good start, particularly because it was supported by NATO's release of detailed data on existing force disparities favoring the Warsaw Pact countries.

Given the necessity of resolving inevitable differences over the definitions and levels of forces to be reduced, it would be logical for the West to propose cooperative monitoring measures to be implemented while the East's unilateral reductions are being made. The willingness of both sides to expand the scope of such cooperation in a way intended to facilitate mutual reductions would build confidence in the process and suggest the first outlines of a changing European security system.

### What kind of European security system?

The process of identifying the kind of European security system the West is seeking necessarily involves asking some that the position is based on military analyses which conclude that NATO could not make substantial reductions without fundamentally altering its defense posture.

Now that the talks have achieved substantial prominence in the Western press, however, they may increasingly be seen in terms of broader political and economic circumstances facing NATO countries. In the first few months of the 101st Congress in the United States, the issue of conventional arms control has commanded the sort of attention that in the past has been reserved for strategic nuclear arms control issues. Facing difficult budget decisions, many Members of Congress would like to find some hope for eventual relief in conventional arms control. This dynamic may lead to pressure for more substantial Western reductions, and European public opinion may lead in similar directions, particularly given the substantial reductions foreseen in the Warsaw Pact's proposals.

### What role for the United States in Europe?

The new Bush Administration and the Congress may have to give serious thought to the broader goals that the United States should seek in this highly political arms control process. Widely divergent perspectives undoubtedly will contend for the attention of policymakers. Some Americans may see the negotiations as a way for the United States safely to disengage from active involvement in European security affairs. Influential American participants in the ongoing transatlantic "burdensharing" debate may see conventional arms control as the device for shifting U.S. expenditures away from European and toward domestic programs or other defense requirements.

Others may see the negotiations not as a way for the United States to pull back from Europe, but as a way to help shape and participate in a new European security system. Many traditional supporters of the Atlantic alliance will likely believe that even if the United States is able to reduce its military involvement difficult political questions. Should NATO and the Warsaw Pact remain central features of that system? What role, if any, will nuclear weapons play in Western strategy? Should the United States remain a central actor in determining directions for the European security system, or should its role diminish? Do the two Germanies have a special role to play in the evolving East-West relationship in Europe? What role does the European Community (EC) have in this process? How would the EC's expansion to include in some way neutral Austria and even Warsaw Pact member Hungary affect the future shape of European security arrangements? How does West European defense cooperation fit in with a changing East-West security relationship? These are just a few of the important questions that should shape the discussion of cooperative East-West military security policies.

It at least appears possible that the CFE negotiations could lead toward the goal of "a more cooperative European security system." While such a concept is not nearly as grandiose as that of a "European house," it may be a more practical concept for moving from a system characterized primarily by East-West competition and tension to one marked increasingly by cooperation and detente. Such a concept includes the broad range of cooperative measures that a more stable East-West military relationship would imply.

### How does CFE relate to political and economic trends in the West?

Domestic circumstances in the NATO members countries have had very little apparent impact on the shaping of the West's initial approach to the CFE talks. In fact, the Western proposal that NATO's forces be reduced by only five to ten percent surprised many observers because it did not appear to respond to the manpower shortages facing West Germany and other European countries or the budget difficulties facing the United States. Those who have followed conventional arms control closely know in European security affairs it cannot afford to cut back on its political involvement even in a more cooperative European security system.

Yet others may see the negotiations simply as a vehicle for maintaining the status quo, protecting the Western alliance and preserving the U.S. role in that alliance while effectively rebutting Warsaw Pact proposals for change. Many Americans remain unconvinced that we have crossed the threshold of a new era of relations with the Soviet Union. The positive trends today could simply be a master plan for Soviet revanchism from a stronger economic base. Or, even if Mr. Gorbachev is sincere in his protestations of benign intentions, he may be overthrown and succeeded by a less agreeable Soviet leadership.

### Broadening the Western Approach

With all these competing perspectives, the West will have to find a methodology that can accommodate both optimistic and skeptical perspectives on the prospects for conventional arms control. One way to develop a more thorough political approach to the negotiations would be to look at the West's position as a series of stages. Each stage would test the political will required to move on to the next stage.

The first stage would respond directly to the unilateral Warsaw Pact withdrawals by proposing that cooperative monitoring be in place at the end of the withdrawal period to help clarify the existing situation on both sides prior to moving on to negotiated reductions. The types of measures that would be required, such as thorough on-site inspection of units, garrisons, and the like throughout the Atlantic to the Urals area would be required in any case to verify compliance with any eventual reduction accord. Implementing such cooperation early on would facilitate mutual reductions in the next stage.

In a second stage, NATO would seek essentially its initial reduction goal of cuts down to 90 to 95 percent of current NATO levels accompanied by cooperative measures carried over from or built on those developed in the first stage.

A third, and much more far-reaching stage, would respond to the widespread desire in the West to reduce military efforts and transfer resources to domestic requirements. In this stage, NATO and Warsaw Pact forces, having achieved rough parity in stage two, would be reduced by a substantial additional proportion. Some Western politicians and experts have proposed that cuts go to 50 percent of current NATO levels.

This step would require restructuring of forces on both sides which presumably could be contemplated by the West under the much reduced threat that would then be posed by Warsaw Pact forces. This third stage would also include all the components of a more cooperative European security system including on-going crisis-avoidance arrangements, cooperative monitoring of military activities, and regulation of qualitative as well as quantitative aspects of military relations in Europe.

Such an approach would hold open the prospect of revolutionary change in East-West military relations while building such change on a cautiously incremental process. The individual steps of the process would likely take a decade or more to accomplish, even under the best of circumstances. Conditions might change in the East, making even the most basic of cooperative measures difficult. But with such an approach, the West might be able to develop both a vision and a way to test that vision's practicality without sacrificing its basic values or security interests.

Mr. SLOAN. Yesterday I returned from discussions with European and American officials concerning this topic. Two themes emerged in these discussions. The first theme is that NATO is perhaps facing an historic opportunity to change, fundamentally and positively, the level and nature of the Warsaw Pact-NATO military confrontation in Europe.

All NATO governments were impressed by the extent to which opening Warsaw Pact positions in Vienna shared general NATO objectives and approaches. The second theme is that this opportunity could well be missed, largely due to divisions among Western governments about the outcome that would best serve Western interests.

Many Allied officials believe that it could be more difficult to reach internal NATO agreement on a reduction accord than it will be to reach necessary compromises with the East. This somewhat pessimistic assessment is based partly on the great difficulty the Western countries have experienced reaching agreement on their opening position in these talks, as well as on the continuing differences among and within Allied governments concerning the desirable outlines of an accord.

It also reflects that fact that nuclear weapons issues, while not directly a subject of these negotiations, cast a long, dark shadow over the negotiating table.

Because this initial assessment may sound gloomy, it is important to reflect on the good news about Allied approaches to these talks.

First, most Allied governments appear satisfied that the Western negotiating position in Vienna was a good starting point. The approach reflects the Western judgment that the preponderance of Warsaw Pact, and principally Soviet military forces in Europe, is a major factor that could destabilize East-West security relations.

The Western proposal would reduce this preponderance, creating a more stable East-West military relationship in Europe, one in which short-warning attack scenarios would appear quite improbable.

In addition, such reductions would at least give the appearance of inhibiting Soviet domination of their East European allies. This potential step toward overcoming the Soviet-imposed division of Europe is supported by all the Allies.

It is also a good sign that the Allies agree that a reduction accord would have to be set in the context of intensive monitoring and cooperative measures, to enhance stability as well as to support verification efforts. The Warsaw Pact has agreed to seek such measures. Measures that go far beyond the ones agreed in the Stockholm Accord in the CSCE context will be required as part of a conventional arms reduction accord.

Thorough inspection, monitoring, and other cooperative measures in combination with reductions could lead toward a more cooperative European security system. Such a system could give more room for East European countries to maneuver in their relations with the Soviet Union, and would require Warsaw Pact countries to be much more open about their military activities than they are today.

Further, most Allied governments agree that it will likely be necessary to maintain a viable nuclear component in NATO's strategy. The Western position in Vienna is designed to keep options open for systems necessary to maintain nuclear deterrence.

Finally, the Allies believe that the position protects the political and military cohesion of the alliance. Most importantly, they hope to ensure that whatever the results of these negotiations in the foreseeable future, the United States remains committed to and involved in European security arrangements.

That is most of the good news. The problem areas result from the very military and political histories, definitions of national interests, perceptions of Soviet motivations, and contemporary political and economic circumstances in NATO countries, including our own.

These differences show up in divergent approaches to issues in the negotiations. Perhaps the most difficult issues are related to nuclear weapons. It may seem odd that I put nuclear issues at the top of the list of problem areas for negotiation supposedly concentrating on conventional armed forces, but that is where I believe they belong.

Nuclear weapons issues currently produce deep divisions among the Allies, within Allied governments, and within their political systems. Because NATO relies in part on dual-capable aircraft to deliver nuclear as well as conventional munitions in case of war, and because that reliance may well increase in the future, given the strong public resistance to land-based nuclear missiles, NATO governments are particularly sensitive to the issue of aircraft reductions or constraints in the new conventional negotiations.

That sensitivity has been heightened by the strong Soviet push to include strike aircraft in a reduction accord, in parallel with its campaign against replacement of the aging U.S. Lance short-range nuclear missile system with a new, longer-range missile.

Most Allied officials believe that some limitations on aircraft, which do fall within the agreed mandate for the negotiations, will have to figure in any reduction accord. They would not limit the category, however, to ground attack aircraft, as the Warsaw Pact countries prefer, but would broaden it to include interceptors as well, many of which would be used in a ground attack mode.

The Turkish Government would even like to broaden coverage to include such items as transport aircraft, which they feel would be used in any Soviet attack on Turkey.

On the other hand, the French Government appears to feel quite strongly that virtually any aircraft reductions would open a Pandora's box. The vision driving French policy sees U.S. nuclear weapons disappearing from Europe, removing a key element of Western deterrence, and leaving French nuclear forces exposed to the next stage of Soviet efforts to de-nuclearize Europe.

Because France's nuclear capability is both the heart and soul of French defense policy, the threat of such a scenario looms large in French policy.

Although many Allied officials believe that the desire to rescue the Soviet economy is the prime motivation for Mr. Gorbachev's unilateral reductions, and his apparent willingness to go further in negotiated cuts, the French see de-nuclearization as the main motivating factor in Soviet arms control initiatives.

The reluctance of France to contemplate aircraft reductions could become a major obstacle to an agreement. The French concern is echoed by some defense officials and experts in other European countries, but no other national position is so dominated by this factor as is the French position.

One further explanation for the depth of French feeling is the political situation in West Germany. The West German Government of Chancellor Helmut Kohl is struggling with the issue of nuclear modernization at a time when the Chancellor's personal prestige is at an all-time low, his Christian Democratic party appears to have run out of political steam, and his coalition with Foreign Minister Dietrich Gencher's Free Democrats is on shaky ground—all this with new elections coming by the end of 1990.

Anti-nuclear sentiment runs high in West Germany. Kohl must attempt to balance the requirements of NATO's strategy, which he strongly supports, with the pressure of public opinion, to which the Government feels it must respond.

Let me insert an important parenthesis here. The key factor in the political equation, not just in West Germany, but throughout Western Europe, and even in the United States, is the immense popularity enjoyed by Mr. Gorbachev.

Gorbachev may not have convinced all the experts concerning his sincerity, but he has convinced Western public opinion. Even most experts now acknowledge that Gorbachev is offering unprecedented opportunities to bring down the East-West military confrontation.

In most of our democratic societies, and particularly in West Germany, governments cannot afford to be coy at a time when Mr. Gorbachev is being captivating. This relationship between governmental policy and public opinion affects virtually all Allied governments, save that of France. In France, the still-strong political consensus behind defense policy, and the absence of a strong public interest in that policy, makes the French Government not only somewhat immune to factors affecting other Alliance governments, but also somewhat disdainful of the attempts by other governments to accommodate public opinion.

The French attitude has deeply wounded Franco-German relations. French officials seem to find it impossible to resist embarrassing public insinuations about the political situation in West Germany.

Not incidentally, I found French attitudes somewhat insensitive as well to the requirements of U.S. public and congressional opinions.

The Warsaw Pact's proposal in Vienna envisions a subsequent phase of reductions to follow initial cuts down to parity. NATO has suggested its willingness to go beyond the cuts envisioned in its initial proposal, but has put no public meat on the bones of its approach.

Public opinion in Europe and U.S. congressional opinion appears to hope for more—a vision of cuts deep enough to produce budget savings and to encourage further political change in East-West relations. Many Western European political analysts and officials believe that NATO must expand the scope of its proposal to envision deep cuts in NATO as well as Warsaw Pact forces somewhere down the road.

Military establishments in European countries, however, are reluctant to contemplate deeper cuts. There is a serious technical problem here, as we do not know how NATO and Warsaw Pact forces would look under conditions of substantial reductions down to the level, for example, suggested by General Goodpaster.

The West clearly could not accept such deep reductions without meaningful constraints on, and restructuring of, Warsaw Pact forces.

Our military establishments currently have no models of such a threat environment, and therefore Western military officials are concerned about force to space ratios which, against the current Warsaw Pact threat, limit the scale of reductions that would be militarily viable for NATO. If deep cuts are to be considered seriously, the alliance will have to study the relationships between NATO and Pact force levels and structures and deployments and such an outcome, rather than postulating a substantial reduction in Western forces against the threat that we see today.

There are other problems as well in deep cut scenarios. In deep cut scenarios, residual force levels in some countries might appear irrelevant, and common sense might dictate specialization among remaining forces to achieve the most effective result for NATO defenses. For example, the British Army on the Rhine is for all intents and purposes the British Army. Should it appear of marginal military utility in a deep cut scenario, the main rationale for such an army might vanish.

It does not take much imagination to foresee likely reactions to such possibilities in the U.K. and in other alliance countries who might face similar issues.

With regard to deep cuts, therefore, I see a serious conflict between the feeling in the United States, and in many West European countries as well, that reductions should benefit the West economically as well as the East, and the undesirable reluctance of military establishments to take what they see as a leap of faith into entirely unknown territory.

Our West German friends, located as they are at the center of virtually every debate about Europe's future, which is what we are really discussing in conventional arms control, have another problem. Virtually any outcome in conventional arms control would involve the creation of implicit, if not explicit, zones of reductions and/or controls in Europe. It is virtually a technical necessity.

The NATO proposal uses zones to help disaggregate the huge geographic Atlantic-to-the-Urals area. The Warsaw Pact, as you have already heard, calls for thin-out zones in Central Europe, in which deployments of particular types of military equipment would be constrained.

The Federal Republic of Germany has two concerns about zonal concepts. From a national perspective, it does not want to be singled out for special attention, which would imply that Germany is the source of the problem.

From an alliance perspective, the Federal Republic does not want to be physically or legally separated from its Western allies.

These concerns, just like those of France, are quite understandable in terms of unique political experiences and geographic locations, but they also pose potential obstacles to a conventional armed forces reduction accord.

Our three major Western allies in these negotiations—West Germany, Great Britain and France—will play key roles in the further conduct and outcome of these negotiations.

If I were to summarize their current approaches, I would say that the West German position includes many conflicts and contradictions—not an uncommon position for the Federal Republic, but one which makes it difficult for the West German Government to lead, and only slightly less difficult for them to follow.

The British position reflects conflict as well, between public opinion, which is more favorable to rapid progress in arms control, and governmental policy, which in spite of Mrs. Thatcher's positive impression of Mr. Gorbachev, remains deeply skeptical of the Soviet Union.

According to all reports, British diplomats and officials have been particularly constructive in attempting to bridge differences among the allies in order to produce Western consensus on the opening position. But at the political level, creativity is constrained by the skepticism to which I have just referred.

The French position is at once the easiest and the most difficult to describe. It is a position with inherent political logic. It appears sincere. And yet, the depth of French feeling leads to a certain inflexibility that is not present in the position of most other Western allies.

This inflexibility may yield important negotiating benefits for NATO, if France plays the role of point man in defending Western positions to the East.

In the end, however, if the other allies find in the negotiations the potential for an agreement that will serve their interests, that agreement may depend on whether or not a French willingness to compromise appears at the right moment.

As always, U.S. technical and, most importantly, political leadership will determine the strength and viability of the West's approach. It will not be an easy challenge. The conflicting interests within the Western alliance and between NATO and Warsaw Pact countries will be difficult to reconcile.

The United States, while asking for and expecting respect from the Allies for its particular objectives and requirements, will be called on to lead down roads that all the allies can take.

In spite of the difficulties, there are some U.S. policy approaches that might make Alliance consensus and conventional force reductions more likely. First, concerning nuclear weapons the criticism of nuclear deterrence by United States as well as Soviet leaders in recent history has, on balance, hurt the prospects for conventional arms control. The Bush administration appears to accept nuclear deterrence, even with its undesirable aspects, as a fact of life. If the United States could convince Mr. Gorbachev to accept explicitly the validity of nuclear deterrence as one element of a stable East-West relationship, the prospects for conventional arms control would be enhanced.

If, as well, the Soviet Union would accept explicitly the need for the United States to participate fully in the European security system of the future, chances for conventional arms control would improve.

In addition, the United States could take the lead in proposing early implementation of some verification experiments and monitoring arrangements to help stimulate progress toward a reduction regime and the construction of a required verification system.

Active and creative U.S. political leadership is a prerequisite for progress.

These points emphasize the fact that just as the military confrontation in Europe is based on political factors, the building down of that confrontation depends on political as well as military change. Only if U.S., Soviet, West, and Eastern European political leaders are prepared to structure their relationships on new and more cooperative political foundations will conventional arms control efforts succeed.

Without sustained, high-level political attention, the new conventional arms negotiations are virtually destined to fail.

This concludes my statement, and I will look forward to your questions and comments.

[The prepared statement of Mr. Sloan follows:]

# TESTIMONY
# OF
# STANLEY R. SLOAN
# SENIOR SPECIALIST IN INTERNATIONAL SECURITY POLICY
# CONGRESSIONAL RESEARCH SERVICE

Mr. Chairman, Members of the Committee, it is with great pleasure that I appear before you today to discuss prospects for the new negotiations on conventional armed forces in Europe. My remarks, as requested, focus on the attitudes of our West European allies toward these negotiations. With your permission, I am submitting for the record an analysis of the Western negotiating approach which will appear later this month in the NATO Review.

## The Challenge Ahead

Yesterday I returned from discussions with European and American officials concerning this topic. Two themes emerged in these discussions. The first theme is that NATO is perhaps facing an historic opportunity to change fundamentally and positively the level and nature of the NATO-Warsaw Pact military confrontation in Europe. All NATO governments were impressed by the extent to which opening Warsaw Pact positions in Vienna shared general NATO objectives and approaches.

The second theme is that this opportunity could well be missed largely due to divisions among Western governments about the outcome that would best serve Western interests. Many allied officials believe that it could be more difficult to reach internal NATO agreement on a reduction accord than it will be to reach necessary compromises with the East.

This somewhat pessimistic assessment is based partly on the great difficulty the Western countries have experienced reaching agreement on their opening position in these talks as well as on the continuing differences among and within allied governments concerning the desirable outlines of an accord. It also reflects the fact that nuclear weapons issues, while not directly a subject of these negotiations, cast a long dark shadow over the negotiating table.

## The Good News

Because this initial assessment may sound gloomy, it is important to reflect on the good news about allied approaches to these talks.

First, most allied governments appear satisfied that the Western negotiating position in Vienna was a good starting point. The approach reflects the Western judgment that the preponderance of Warsaw Pact, and principally Soviet, military forces in Europe is the major factor that could destabilize East-West security relations. The Western proposal would reduce this preponderance, creating a more stable East-West military relationship in Europe, one in which short warning attack scenarios would appear quite improbable. In addition, such reductions would at least give the appearance of inhibiting Soviet domination of their East European allies. This potential step toward overcoming the Soviet-imposed division of Europe is supported by all the allies.

It is also a good sign that the allies agree that a reduction accord would have to be set in the context of intensive monitoring and cooperative measures to enhance stability as well as to support verification efforts. The Warsaw Pact has agreed to seek such measures.

The process of developing cooperative East-West measures actually began in the framework of the Conference on Confidence- and Security-Building Measures and Disarmament in Europe, part of the Conference on Security and Cooperation in Europe. Those negotiations among all NATO and Warsaw Pact states plus 12 neutral or non-aligned European states, having produced many useful measures to increase the transparency and predictability of military activities in Europe in the 1986 Stockholm accord, resumed in Vienna in parallel with the conventional armed forces talks.

Measures that go far beyond the Stockholm accord will be required as part of a conventional arms reduction accord. Thorough inspection, monitoring, and other cooperative measures in combination with reductions could lead toward a more cooperative European security system. Such a system could give more room for East European countries to maneuver in their relations with the Soviet Union, and would require Warsaw Pact countries to be much more open about their military activities than they are today.

Further, most allied governments agree that it will likely be necessary to maintain a viable nuclear component in NATO's strategy. The Western position is designed to keep options open for systems necessary to maintain nuclear deterrence.

Finally, the allies believe that the position protects the political and military cohesion of the alliance. Most importantly, they hope to ensure that, whatever the results of these negotiations in the foreseeable future, the United States remains committed to and involved in European security arrangements.

That's most of the good news.

## The Problem Areas

The problem areas result from the varied military and political histories, definitions of national interests, perceptions of Soviet motivations, and contemporary political and economic circumstances in NATO countries. These differences show up in divergent approaches to issues in the negotiations.

### Nuclear Issues

Perhaps the most difficult issues relate to nuclear weapons. It may seem odd that I put nuclear issues at the top of the list of problem areas for negotiations supposedly concentrating on conventional armed forces. But that is where I believe they belong.

Nuclear weapons issues currently produce deep divisions among the allies, within allied governments, and in their political systems.

Among the NATO allies, only the United States, France, and Great Britain are nuclear powers. Nonetheless, NATO's strategy has relied heavily on nuclear weapons both to deter a Warsaw Pact attack and to help defeat such an attack should it occur. One consequence of this reliance is that most of the non-nuclear weapons European states in the alliance permit the United States to station nuclear weapons on their territory in peacetime, as does Great Britain. Many of these same allies have the delivery systems and "dual-key" arrangements with the United States to employ U.S. nuclear weapons in wartime. France maintains an independent nuclear posture not linked to NATO or the United States.

Without discussing at any length the reasons for NATO's nuclear dependence and the evolution of its strategy in this area, let it be said that West European governments would like to see further reductions in the numbers of nuclear weapons deployed in Europe. Indeed, public opinion in every European alliance country with the notable exception of France, is pushing governments toward further nuclear cuts, beyond those involved in the INF Treaty.

Nonetheless, most allied governments, as noted earlier, believe that a U.S. nuclear presence in Europe would remain essential even after non-nuclear reductions down to parity in major weapons systems as proposed by both NATO and the Warsaw Pact.

And, both France and the United Kingdom are strongly opposed to any steps that could directly or indirectly threaten the viability of their independent nuclear capabilities.

Because NATO relies in part on "dual-capable" aircraft to deliver nuclear as well as conventional munitions in case of war, and because that reliance may well increase in the future given the strong public resistance to land-based nuclear missiles, NATO governments are particularly sensitive to the issue of aircraft reductions or constraints in the new conventional negotiations.

That sensitivity has been heightened by the strong Soviet push to include strike aircraft in a reduction accord, in parallel with its campaign against replacement of the aging U.S. LANCE short-range nuclear missile system with a new, longer-range missile.

Most allied officials believe that some limitations on aircraft, which do fall within the agreed mandate for the negotiations, will have to figure in any reduction accord. They would not limit the category to ground attack aircraft, as the Warsaw Pact countries have proposed, but would broaden it to include interceptors as well, many of which could be used in a ground attack mode. The Turkish government would even like to broaden coverage to include such items as transport aircraft which they feel would be used in a Soviet attack on Turkey.

On the other hand, the French government appears to feel quite strongly that virtually any aircraft reductions could open a Pandora's box. The vision driving French policy sees U.S. nuclear weapons disappearing from Europe, removing a key element of Western deterrence, and leaving French nuclear forces exposed to the next stage of Soviet efforts to denuclearize Europe. Because France's nuclear capability is both the heart and soul of French defense policy, the threat of such a scenario looms large in French policy.

Although many allied officials believe that the desire to rescue the Soviet economy is the prime motivation for Mr. Gorbachev's unilateral reductions and his apparent willingness to go further in negotiated cuts, the French see denuclearization as the main motivating factor in Soviet arms control initiatives.

The reluctance of France to contemplate aircraft reductions could become a major obstacle to an agreement. The French concern is echoed by some defense officials and experts in other European countries, but no other national position is so dominated by this factor as is the French approach.

One further explanation for the depth of French feeling is the political situation in West Germany. The West German government of Chancellor Helmut Kohl is struggling with the issue of nuclear modernization at a time when the Chancellor's personal prestige is at an all-time low, his Christian Democratic party appears to have run out of political steam, and his coalition with Foreign Minister Dietrich Genscher's Free Democrats is on shaky ground. All this with new elections coming by the end of 1990.

Anti-nuclear sentiment runs high in Western Germany. Kohl must attempt to balance the requirements of NATO's strategy, which he strongly supports, with the pressure of public opinion, to which the government feels it must respond.

## The Gorbachev Factor

Let me insert an important parentheses here. A key factor in the political equation, not just in West Germany but throughout Western Europe and even in the United States, is the immense popularity enjoyed by Mr. Gorbachev. Gorbachev may not have convinced all the experts concerning his sincerity, but he has convinced Western public opinion. Even most experts now acknowledge that Gorbachev is offering unprecedented opportunities to bring down the East-West military confrontation.

In most of our democratic societies, and particularly in West Germany, governments cannot afford to be coy at a time when Mr. Gorbachev is being captivating. This relationship between governmental policy and public opinion affects virtually all allied governments -- save that of France. In France, the still-strong political consensus behind defense policy, and the absence of a strong public interest in that policy, makes the French government not only somewhat immune to factors affecting other alliance governments but also somewhat disdainful of the attempts by other governments to accommodate public opinion.

The French attitude has deeply wounded Franco-German relations. French officials seem to find it impossible to resist embarrassing public insinuations about the political situation in

West Germany. Not incidentally, I found French attitudes somewhat insensitive to the requirements of U.S. public and congressional opinions as well.

Deep Cuts

The Warsaw Pact's proposal in Vienna envisions a subsequent phase of reductions to follow initial cuts down to parity. NATO has suggested its willingness to go beyond the cuts envisions in its initial proposal, but has put no public meat on the bones of its approach. Public opinion in Europe and U.S. congressional opinion appear to hope for more -- a vision of cuts deep enough to produce budget savings and to encourage further political change in East-West relations.

Many West European political analysts and officials believe that NATO must expand the scope of its proposal to envision deep cuts in NATO as well as Warsaw Pact forces somewhere down the road.

Military establishments in European countries, however, are reluctant to contemplate deeper cuts. There is a serious technical problem here, as we do not know how NATO and Warsaw Pact forces would look under conditions of substantial reductions down to, say, 50 or 60 percent of current NATO levels. The West clearly could not accept such deep reductions without meaningful constraints on and restructuring of Warsaw Pact forces.

Our military establishments currently have no models of such a threat environment, and therefore are concerned about "force to space" ratios which, against the current Warsaw Pact threat, limit the scale of reductions that would be militarily viable for NATO. If deep cuts are to be considered seriously, the alliance will have to study the relationships between NATO and Pact force levels and structures in such an outcome rather than postulating a substantial reduction in Western forces against the threat we see today.

There are other problems as well. In deep cut scenarios, residual force levels in some countries might appear irrelevant, and common sense might dictate specialization among remaining forces to achieve the most effective result for NATO defenses. For example, the British Army on the Rhine is, for all intents and purposes, the British Army. Should it appear of marginal military utility in a deep cut scenario, the main rationale for such an army might vanish. It does not take much imagination to foresee likely reactions to such possibilities in many alliance countries.

With regard to deep cuts, therefore, I see a serious conflict between the feeling in the United States, and in many West European countries as well, that reductions should benefit the West economically as well as the East, and the understandable reluctance of military establishments to take what they see as a leap of faith into entirely unknown territory.

## Restricted Zones

Our West German friends , located as they are at the center of virtually every debate about Europe's future, which is what we are really discussing in conventional arms control, have another problem.

Virtually any outcome in conventional arms control would involve the creation of implicit if not explicit zones of reductions and/or controls in Europe. It is virtually a technical necessity. The NATO proposal uses zones to help disaggregate the huge geographic Atlantic-to-the-Urals area. The Warsaw Pact proposal calls for "thin out" zones in central Europe in which deployments of particular types of military equipment would be constrained.

The Federal Republic of Germany has two concerns about zonal concepts. From a national perspective, it does not want to be singled out for special attention which would imply that Germany is the source of the problem. From an alliance perspective, the Federal Republic does not want to be physically or legally separated from its Western allies.

These concerns, just like those of France, are quite understandable in terms of unique political experiences and geographic locations. But they also pose potential obstacles to a conventional armed forces reduction accord.

## The Key Roles of West Germany, Great Britain, and France

Our three major Western allies in these negotiations -- West Germany, Great Britain, and France -- will play key roles in the further conduct and outcome of these negotiations. If I were to summarize their current approaches I would say that the West German position includes many conflicts and contradictions, not an uncommon position for the Federal Republic but one which makes it difficult for the West German government to lead, and only slightly less difficult to follow.

The British position reflects [illegible] conflict as well between public opinion (which is more favorable to rapid progress in arms control) and governmental policy, which, in spite of Mrs. Thatcher's positive impression of Mr. Gorbachev, remains deeply skeptical of the Soviet Union. According to all reports, British diplomats and officials have been particularly constructive in attempting to bridge differences among the allies in order to produce Western consensus. But at the political level, creativity is constrained by the skepticism to which I have just referred.

The French position is at once the easiest and the most difficult to describe. It is a position with inherent political logic. It appears sincere. And yet, the depth of French feeling leads to a certain inflexibility that is not present in the position of most other Western allies.

This inflexibility may yield important negotiating benefits for NATO if France plays of role of point man in defending Western positions to the East. In the end, however, if the other allies find in the negotiations the potential for an agreement that will serve their interests, that agreement may depend on whether or not a French willingness to compromise appears at the right moment.

## U.S. Leadership

As always, U.S. technical and, most importantly, political leadership will determine the strength and viability of the West's approach. It will not be an easy challenge. The conflicting interests within the Western alliance and between NATO and Warsaw Pact countries will be difficult to reconcile.

The United States, while asking for and expecting respect from the allies for its particular objectives and requirements, will be called on to lead down roads that all the allies can take. In spite of the difficulties, there may be some U.S. approaches that might make alliance consensus and conventional force reductions more likely.

The criticism of nuclear deterrence by U.S. as well as Soviet leaders in recent history has, on balance, hurt the prospects for conventional arms control. The Bush Administration appears to accept nuclear deterrence, even with its undesirable aspects, as a fact of life. If the United States could convince Mr. Gorbachev to accept explicitly the validity of nuclear deterrence as one element of a stable East-West relationship, the prospects for conventional arms control would be enhanced.

If, as well, the Soviet Union would accept explicitly the need for the United States to participate fully in the European security system, chances for conventional arms control would be enhanced.

In addition, the United States could take the lead in proposing early implementation of some verification experiments and monitoring arrangements to help stimulate progress toward a reduction regime and the construction of a required verification system. Active and creative U.S. political leadership is a prerequisite for progress.

These points emphasize the fact that just as the military confrontation in Europe is based on political factors, the building down of that confrontation depends on political as well as military change. Only if U.S., Soviet, West and East European political leaders are prepared to structure their relationships on new and more cooperative political foundations will conventional arms control efforts succeed. Without sustained high level political attention, the new conventional arms negotiations are virtually destined to fail.

### 50-PERCENT REDUCTIONS

Chairman NUNN. Thank you very much, Mr. Sloan.

Let me start here, and I will ask the clerk to keep up with the normal time, and we will do it on the normal rule.

General GOODPASTER. You talk about 50 percent reductions from present NATO levels. Can you give us a general description of what you are including in that 50 percent pot?

Are you including ground forces as well as air forces?

General GOODPASTER. Yes, I am, both ground forces and air forces, and I am essentially talking about active forces. I think the matter of reserves will have to be further studied.

On the other hand, I think it would be damaging to the prospects of achieving what seems to be the common goal if there was an attempt to circumvent the relationship of parity through what was done with the reserve forces.

I also mentioned that it will be necessary to work out very carefully the build-up capability the reenforcement capability, on both sides. I do, however, include the air. It seems to me that the total of the air inventories, the air strengths, on the two sides should become a subject of negotiation.

Chairman NUNN. General, you heard Mr. Karber vigorously defend the current NATO position. Implicit in your 50-percent proposal is that you do not believe the NATO position goes far enough in its vision and concept.

How do you respond to the general presentation Mr. Karber made?

General GOODPASTER. I think that is exactly it. I would think that it would be valuable on both sides—both on the side of the West and the East—to have a vision of where we are going beyond these initial changes. If the Soviets were prepared to accept the NATO formulation as a stage toward that further vision, I think we should, of course, be quite ready to embrace that.

It should be possible, however, to go further and by going to this lower level of forces create an even better and even more stable security situation in Europe. I think there is interest in this on the Soviet side. I think that the pattern of leadership that General Secretary Gorbachev, has shown, holds promise that we could go that far. If that is done, we will have established, in my view, a more stable security situation in Europe, which is the goal, the stated goal, on the NATO side, and which he asserts is the goal on the Soviet side.

So, as a waystation toward this further situation, I would see no objection to it in general. But I would not think that the interests of our country or the West would be fully served if that were as far as we went.

### FREE ZONES

Chairman **Nunn**. General Goodpaster, you call for zones free of tanks and other so-called offensive weapons and equipment. Phil Karber just related to us that this concept is a bad idea, and he emphasized the speed with which Soviet armored units could cross these zones.

Mr. Karber also said these zones are inherently contradictory to the idea of a 50-percent cut. How do you respond to that statement?

General **Goodpaster**. I do not find that contradictory. I would relate this to some of the attention that is being given to the so-called emerging technologies and to the proposals that are made now for the attack of follow-on forces and for the attack of these forces at some depth.

I think the proposal that I have offered does presuppose enhanced capabilities for surveillance, for verification, for reconnaissance, and for target acquisition, and we should have the capabilities to bring any heavy forces under immediate and heavy attack. The emerging technologies do seem to me to offer that kind of possibility.

I am not suggesting here attacks at great depth, but I think the ability, an evident ability, to bring forces that would violate those zonal restrictions under immediate and heavy attack, and the ability on our side to employ our forces in a mobile way in response to such a violation, would be a necessary and in my view an adequate undergirding of these arrangements.

I also mention the possibility of relying more heavily on the local reserve forces in the forward areas, primarily the Germans, but the reserve forces of the other countries also should be able to be brought into action quickly and their capability of being employed in this way would be a substantial contribution to the deterrent.

A great deal of this will depend upon the policy and posture of the Soviet Union. One reason for proceeding stage by stage in this regard is to re-evaluate on the basis of prudence whether we feel confident in taking the further steps along the lines I have proposed.

Chairman **Nunn**. Did you not also envision a deeper Soviet zone than U.S. zone or NATO zone?

General **Goodpaster**. Yes. And I would not want to put too much on this, but we have had some hints that those matters have been discussed. I take a little bit of encouragement from the experience this past year, when many of us were told that the one thing that the Soviets would not do would be to make unilateral reductions. Within a short period of time after that, Mr. Gorbachev decided that was not his policy and went further.

I think a great deal depends here on what vision of the future General Secretary Gorbachev and the leaders of the Soviet Union have. If they have decided there is little profit to them in continuing this high level of intense military confrontation in the center of Europe, then I think there is a promising environment for the kind of step-by-step reductions—verified reductions—that I am proposing.

Chairman NUNN. Mr. Karber, you have heard General Goodpaster today propose, basically, a NATO proposal going for much deeper cuts.

He did not rule out the possibility of going on more or less a two-track system, going with an interim along the lines of the NATO proposal.

How do you view the 50-percent cut concept?

Mr. KARBER. Well, first, let me say, if I was not clear before, I agree very much with the General that we in the West need to think about what kind of Europe we want in the year 2000 or thereabouts. That vision of a future Europe is something, in my view, which goes beyond just the status quo. And it seems to me that is very much what the General is talking about when he says let us think about the mid-term future, but also think much bigger than we are.

Frankly, a lot of that transcends arms control. It asks questions about why we are in Europe, what our relations are with our allies, what our dependence upon nuclear weapons is, what force requirements do we have to meet on the Continent?

Those are some truly fundamental questions. Now, what bothers me about that argument, which I find is a legitimate argument—I think we in the West are not doing the long-term planning that the Soviets are, and we ought to be thinking about those kinds of issues—but what bothers me about that argument is that is being used as an indictment of the current proposal.

NATO's current proposal is not a proposal for the restructuring of all of Europe. It is a proposal on conventional forces to preclude the danger of surprise attack and large-scale offensive—that is, to bring the forces to parity, and to get the military confrontation off center stage, so that the diplomatic, political and international economic activity can go apace and develop naturally, as opposed to being artificially constrained by this military competition.

I think it is unfair to criticize the NATO arms control proposal for not providing those objectives. That is not its role. I think things would be helped by having its role printed out through a clear statement of those objectives that we agreed on, particularly with our allies.

I think that defending the arms control proposal we have now, and supporting it until we have actually successfully negotiated it with the other side, is the best single way to create the environment that the General talked about. As far as thinking about much deeper cuts, thinking about other things, we have an extremely full plate right now, and I think it is going to take 2 good years of solid negotiation to try and pull this thing in even with good intentions and interest coming together on both sides. Now, in terms of the 50 percent reduction—to me, the question is, "Why?" What is it that one wants out of a 50-percent reduction?

Is it military stability? To me, that is and ought to be the foremost requirement of arms control. There is a level at which reduction of the number of forces actually creates a more unstable environment.

If that sounds crazy, think about it in terms of strategic forces. If we and the Soviets each had five ICBMs with current accuracies, we all realize that would be an extremely unstable posture. The same reasoning holds for non-strategic forces because preemptive incentives such low force levels would offer in terms of conventional ground combat. What one talks about then is a maneuver war, not a war of position and breakthrough.

Now, frankly, if I was defending NATO with half the current number of active brigades in the Center Region, I would not defend at all. I would attack. I would ask, "What is the key vulnerable position on the other side?," and I would husband my forces and drive for it, because there is insufficient force to cover my frontage, defend my terrain, with a force level so drastically reduced from NATO's current posture.

Now, the question, "How deep is too deep?" NATO says 10 percent; the General says 50 percent: Where is the correct number? I do not know. I do not know of a single study that has been done in or out of government concluding that deep cuts are in fact inherently more stable than those envisioned in NATO's proposal.

I have not seen any analytical work that actually looks at tactical military operations and gives any hint that deep cuts are inherently more stable.

Now, if the second motive is one of cost savings, some real serious questions need to be raised about these 50 percent cuts. Are we talking about a 50 percent cut of the total allowable force structure assets in the theater? If we are, I think that is a bad idea, because then we drop our level of forces below the point of rapid regeneration. We then cannot mobilize European reserves. The only way we will ever be able to counter the other side's mobilization or introduction of forces from east of the Urals is by bringing off-continent forces back on.

Discriminating between active and reserve force levels, is not a means of circumventing a treaty. In fact, both the Soviets and the NATO proposals have implied in them a discrimination between active and reserve forces. If one does that, then one can talk about very substantial reductions. We are talking about a 40 percent delta between what the General said and what I am saying. I am not talking about taking 50 percent of our entire force structure out and eliminating it. I am saying put some of it in Reserve components, which you can countermobilize very quickly if the other side starts breaking the norm.

Chairman **Nunn**. I do not want to cut you off, but I must because my time has expired.

Senator **Warner**. Mr. Chairman, I think in fairness we ought to give our other speaker, Mr. Sloan, the opportunity to comment, perhaps from the Europeans' perspective, on the rather bold initiatives outlined by the General.

Mr. **Sloan**. Yes, Senator Warner, I will comment largely from the political perspective, which is the angle that I tend to look at this issue from.

My sense is——

Senator **Warner**. We could start a domino effect right across the board.

Mr. **Sloan**. My sense is that the European governments are somewhat wary of deep cuts, but also feel there is political pressure in their countries for a position that holds out at least some place in the distant future the prospect of cuts that are more substantial than the ones that NATO has currently projected.

I agree with Phil Karber that the NATO position is a very good starting position, and it serves a lot of NATO interests. But my sense in talking to a variety of European officials over the last several days is that there is a feeling in the alliance that there is a need for projecting at least some kind of image of a future that would realize savings for European governments as well.

There is a strong feeling in France that this is the wrong way to go. The French do not want to go down this road. They feel very strongly that this would be undermining the West's negotiating position.

They do not respond with any particular understanding when you tell them that there is pressure in the United States to make some cutbacks in its military effort, if that is possible in a stable framework, as part of this process. And so, you have a divided European approach, particularly between the French and the others.

The French—the response when I raised the 50 percent question with some French officials is, if the United States decides to take troops out, we would rather see you do it unilaterally than in the context of the negotiation accord. We do not want to see that kind of pressure put on us is, in a sense, what they are saying. If you decide to leave unilaterally, then so be it; but we do not want to see it in the context of the negotiations.

And that attitude, combined with the other attitude which says we think we will have to project some deep cuts in the future, creates a bit of a problem for the alliance in dealing with proposals that projects some kind of long-term future.

Senator **Warner**. Let me address another question quickly to the General.

### REINFORCEMENT

On page 10, at the bottom, you say, "The continued U.S. capability for reinforcement of Europe keyed to Soviet reinforcement capabilities with major forces for this purpose" is important.

Now, on that note of the reinforcement, how does that affect our naval component, which is connected with reinforcement? We are now looking at, in this budget cycle, a possible cut in the ability of the Navy to provide adequate protection to sealanes.

General **Goodpaster**. First, may I declare my bias in answering that question. As a former commander in Europe, I know where I would put the priority in terms of the maintenance of our naval forces.

I realize that they have many other roles, but sea control of those vital lanes to Europe, in my view, has to be our top priority. I would start with that.

I understand the pressures that are coming on and, that may require some restructuring, and it is my very strong hope that restructuring will be guided by and shaped by a very careful analysis of just what the requirements, the strategic requirements, are to which our Navy should respond.

Senator **Warner**. But they would maintain that top priority which you have just stated?

General **Goodpaster**. That is what I would like to see them do.

Senator **Warner**. That is clear and succinct. You shall hear that answer again.

Mr. Karber, how do you feel? Should we maintain the Navy's role—should we proceed on this course of some reduction of forces in Europe?

Mr. **Karber**. Well, I think there is a logical issue there. That is, if you go to deep reductions in Central Europe, and do not discriminate between active and reserve, the only way you are going to bring force levels back up to a stable level, in my view, is through mobilization and reinforcement. Now given that one is not allowed to keep European reservists under these deep cuts, then the only reserve left to call on would be from the United States. In that regard, any cost savings we are going to achieve by bringing American troops home from Europe, are going to be offset by the cost of buying more lift assets, CXs-type aircraft and naval fast-transit ships, and convoy protection, and so forth.

So, it is axiomatic to the extent that we lower our-force levels but retain the capability, as the General said, to respond in a crisis and calibrate our reinforcement to the Soviets, we are going to have to spend larger amounts of our resources than we currently have programmed on fast-transit Naval forces and airlift.

Senator **Warner**. In general, you would concur with General Goodpaster's prioritization? If you come with the drawdown policy, you should then put great emphasis on your ability to reinforce, and that of course combines the Air Force and the Navy?

Mr. **Karber**. One problem we have in this——

Senator **Warner**. First, would you answer the question? Do you agree with General Goodpaster on that?

Mr. **Karber**. Yes, sir, I do.

Senator **Warner**. That is enough—that has got it right there. [Laughter.]

Chairman **Nunn**. We are launching the Warner Navy here this afternoon. [Laughter.]

Senator **Levin**. Now we have got the carriers built.

Senator **Warner**. General, I would like to say that this may well have been history in the making this afternoon, as my distinguished chairman observed here a moment ago.

This is the type of bold initiative—I am not so sure that I agree with you, but it is the type of bold initiatives that this country has to turn to to make its analysis, and we begin right now with this budget that is before the Congress. What impact do you think we should reflect in this budget before the Congress?

With respect to your views, should we begin to take the first steps, or should we wait until there is more concrete evidence of Mr. Gorbachev's intentions?

General **Goodpaster**. I think we will shortly be getting more concrete evidence. The next step that I would see here is that this needs to be subjected to the very penetrating, thoroughgoing, professional military analysis by commanders and by their planning staffs, using all of the information, including all the classified information, that is available to them.

I would certainly want to hear what my successor, my former assistant, Gen. John Galvin, has to say about this. I would want to hear what Gen. Von Sandrart, the commander of the Central Region, the senior German officer who commands that central region in Europe, what his views are as to the practical limits and the sequencing of steps.

What have you got to see first, in order to be able prudently to take these steps? Let me just say that the thing that would trouble me would be premature action, before those testing analyses are conducted.

Senator **WARNER**. In short, then, you are suggesting that this current budget cycle perhaps should not be impacted by this planning?

General **GOODPASTER**. That would be my suggestion, yes, sir.

Senator **WARNER**. Well, I certainly want to add my respect for the council and its work. I have known George Seignious for many years, and of course have been privileged to know you, and I think this is a valuable contribution to provide thinking.

Thank you, Mr. Chairman.

Chairman **NUNN**. Thank you, Senator Warner.

Senator Levin.

Senator **LEVIN**. Mr. Chairman, we have heard not only a rather dramatic vision here from General Goodpaster, but we have had an interesting response, or apparent response, from the French to it, which is if we were going to do anything like deep cuts, we should do it unilaterally and not get anything in exchange for it.

I must say, putting aside the vision for a moment, as to whether or not it is wise or not, at least it has got some courage behind it. I do not understand the French, whomever you spoke to, their response to it. Why in the name of Heaven would we not want to get some reductions from the Soviets that match it?

Mr. **SLOAN**. I think there is a feeling, Senator, that once you make an agreement with the Soviets that involved those kinds of deep reductions, in which inevitably, the French would have to be a participant in those cuts as well, that you lock yourself into certain arrangements that the French are not prepared to accept.

I agree that it is not a particularly logical response, and to some extent, it may have been slightly facetious, but I did not hear it just from one French official, and I did hear it from one French official deeply involved in the planning and articulation of their position.

The French—a number of people whom I spoke to, non-French officials and experts, even went as far as to say they did not believe the French really wanted an agreement from this process. I do not know whether that is true or not.

I was convinced that in their expressions to me they were sincere about pursuing the Western proposal. They say it is a good proposal, and we ought to fight for it the way that it stands today, but not everybody in the alliance who has worked with them through this process has been left unscarred by the last couple of years, and there is some skepticism about whether they in fact will cooperate when it comes to the point of coming to an agreement.

Senator **Levin**. General Goodpaster, have your views evolved in the last few years, and if so would you tell us something about that, as to why they have evolved the way they have?

General **Goodpaster**. I trust they have evolved as I have studied these matters further. But with regard to the fundamentals, I would say that I adhere to fundamentals that go all the way back to my service as a staff officer with General Eisenhower, when NATO was founded, to my time as a strategic planner in various stages and various times in the past, and to my own time as the NATO commander.

If we focus on—if I can use Eisenhower's term—what is good for America, what is good for NATO, and look at it in the very largest sense—if we can take these steps to move away from this intense military confrontation, a 50-percent strength does not seem that impossible to me. As the NATO commander, when the basis for our strategic planning for force reductions was in preparation, I have felt that such reductions were to be welcomed. This was the so-called MBFR, the mutual and balanced force reduction negotiations.

When those were undertaken, even though they have proved unavailing in terms of an immediate response, I think they were of value as a waystation toward the Gorbachev decisions. Behind all of this, I really believe that there is a policy view on the part of General Secretary Gorbachev that the interests of his country can be better served by moving in this direction. How far he will be ready to go and be able to go, we cannot be sure, and we are going to have to assess and observe that as we go.

Senator **Levin**. What has changed here, basically, is not your views, but Gorbachev, his arrival and his actions?

General **Goodpaster**. I think it is what he has done on the world scene that has made this a practical possibility, going beyond what we were able to achieve in the MBFR, negotiations.

Senator **Levin**. Mr. Karber has indicated that he felt you could not design—I want to be fair, I want to give you a chance to comment after my comment.

As I understand it, you could not design a belt system even of disproportionate widths and even with certain verification guarantees, in terms of violations to avoid violations if that belt—you cannot design such a system in a way which could leave Western Europe secure because of the ease with which those belts could be violated by troops massing fairly suddenly and moving across them rapidly.

You have commented on this already today, once, at least, but I would like you to focus on that issue again, because it is a pretty critical issue, it seems to me, in terms of your proposal.

Do you want to respond to the last comments of Mr. Karber, and then I am going to call on you, Phil, to give you a chance to comment on General Goodpaster.

General **Goodpaster**. May I say that I understand what Phil Karber was talking about there. I understand it very, very well, having spent quite awhile thinking about sudden attack.

You have a sequence of things. You have what is called strategic warning. You have what is called political warning. A change of policy, an evidenced change of policy, is something to which we should react.

As I mentioned earlier, it is the combination of Soviet power and Soviet policy that has been at the root of the threat that we have had to face. We should work from capabilities, and if we have those capabilities defined by parity on both sides at a lower level, then of course we will watch the trend of policy very closely, and if we find that the clouds are darkening. If their relation becomes more threatening, then we are going to have to respond to that.

But you respond from a level of force. I can tell you that at the level of force that we are talking about—if on the Warsaw Pact side they were one-half of the NATO force—I as commander there would feel a great deal more confidence in the security of Western Europe.

We would then pay close attention to any apparent reversal, and before we go beyond—in due time, we may want to go beyond what I am proposing. However, I think we would want to have very high confidence against a reversal of policy that would pose a greater threat to us. I think there are means of doing that.

Senator **Levin**. Mr. Karber.

Mr. **Karber**. It is technically possible, certainly, to design a belt that one cannot get through, via both additional depth and with material technical means.

In terms of width, if one has a belt about 150 kilometers on each side, for a total depth of about 300 kilometers, you have then an "absorption" zone, if you will, that keeps modern mechanized forces from being able to exploit it very quickly. But that runs into the other side of the problem, and that is, doing that would essentially make all of West Germany a belt. We will have made it a special disarmament zone. They alone among all the NATO members will have been singled out as having special duties and obligations and restrictions, not to mention the removal of all the infrastructure and support for the current Allied forces.

Chairman **Nunn**. I do not think he is talking about getting rid of all weapons in the zone, though. As I understood it, you are talking about getting rid of offensive forces, with defensive forces remaining. You could have a regime with a significant buildup of antitank reserve forces, light forces and so forth, that would be very different from a complete zone.

Mr. **Karber**. I think there is an inherent——

Chairman **Nunn**. I am not arguing for it, we are talking about the same thing, that is what I thought General Goodpaster was talking about an offense zone.

Mr. **Karber**. First of all, I think there is an inherent dilemma. That is, if you are going to try to have the zone absorb a surprise attack—I am trying to address Senator Levin's comment—you want width. The width, I think, ends up pressuring you into special controls on the West Germans.

Now, what is to be controlled? The Soviet concept, as briefed by Konoralov, essentially describes a checkerboard pattern along the border within the first 50 kilometers on each side, in which one battalion is allowed in a 60 by 50 kilometer area. That is 3,000 square kilometers to be defended by 800 men, or by 50 tanks, and it only allows four tank battalions across the whole length of the front—200 tanks, 800 kilometers. Now, I do not find that to be a stabilizing environment. That is the scheme for the first 50 kilometers, and then more density is allowed, and the next 50 and the next 50 back from the border. Now the Soviets will say, "This is a great idea. We picked it up in the West, and a lot of people in the West like it." But it is not an asymmetrical zone. It is essentially establishing an extreme thin-out area putting us in a situation where we violate an arms control agreement if we increase more than 200 tanks in our own main defense position.

If there are only 100 or 150 kilometers for them to cross to get into contact with our main defense position that essentially allows them to move inside our own decision loop. I find that inherently destabilizing.

So you are correct, Mr. Chairman. One can devise a belt system to meet one objection or another. I do not find definition of a belt system that truly gets the offensive systems down to a low enough level that does not end up either politically hurting us—that is, making Germany a special disarmament zone, or making a zone so thin that its military significance is greatly diluted.

Chairman NUNN. If I can interrupt, I may come to that same conclusion, but I do not think we ought to consider the Soviet proposal as the only zone proposal.

It seems to me that there would be a multiplicity of ways you could think about zones, depths of zones, and the numbers of countries that you could include.

I do not think that we ought to in any way restrict our thinking as to what they are talking about. The only thing I would add is that Germany is a special place, any way you look at it.

That is the historical, political eventuality we have to think about in terms of long-term concepts.

If you want to go to the current proposal of NATO, or if you go to any other proposal, Germany is a special place.

I know the sensitivity about singularity, but Germany is after all a divided country. It is a country where you have West Berlin located in the middle of East Germany. It is a country where you have huge forces of the United States and NATO countries deployed. Germany is special any way you look at it, and whatever posture may evolve, it is special going in, and it is going to be special coming out.

The singularity question is always there, and has to be treated sensitively. We have to be very conscious not to think of Germany as we do the Netherlands, or England, or France, or any other country—it seems to me would be divorcing historical reality.

General GOODPASTER. Could I add just a word to that, Mr. Chairman, because I have had long years of working closely with the Germans, and it would be my hope that by formulating something in fairly definite and concrete terms, you would then have a basis for consulting with them, for talking this thing through with them.

Until that happens, the discussion is, so to speak, all over the lot. And I do not think it is helpful to try to talk about all of these things outside of a well-formed context, and that is really what I was trying to provide here.

I very much agree that having laid out something like this, and then doing the work on the safeguards and so on that go with it, it will be extremely important to conduct very thoroughgoing, careful, thoughtful, low-pressure consultations with the German leaders, in particular, and I think that is true of the other nations of the alliance.

Each set of consultations will have its own character, but very thorough consultations will be needed, and I think it will be helpful to have something for consultation that is focused on a vision at some distance down the road.

Mr. SLOAN. Could I make a very brief comment also on the zone problem, particularly with regard to Germany, and then a more general point?

In the course of these negotiations, I think perhaps even before we get to an agreement, it is very possible that we will have a government in West Germany that is led by or involves the Social Democrats. That government would look much more favorably on a whole variety of zone concepts than would the current government.

Now, granted, they have their own concerns about singularity and so forth, but I think we just have to contemplate that the German attitude on this one is not necessarily locked in. We may see some flexibility.

I think that we make a mistake both in looking at the zone concept, and also in terms of some other questions like what do we require for force structure in a deep reduction scenario? We make the mistake of looking at the situation against today's threat. I think that we have not done the studies that the United States and the alliance needs to do about what kind of force structure you need under various reduction scenarios, whether they are smaller reductions or larger ones. But particularly in the case of deep cuts, we need to look at how the threat will change, and according to how the threat changes, both in terms of its numbers and its content and its structuring, then you structure your zone concepts. What kind of constraints will you need to make your defensive relationship to the offensive force a stable one?

I think that we just have not done enough thinking or study of that problem to really come out with clear ideas. I think that Phil's criticism of the Soviet zone concept is appropriate. But that does not mean the issue should necessarily be closed off.

Chairman NUNN. That is the way I see it, too. I agree with Mr. Karber's criticism of the Soviet proposal.

Senator Wilson, you have been waiting a long time. Take some extra time for more questions.

Senator WILSON. Thank you, Mr. Chairman.

Gentlemen, let us assume for the moment that you are agreed, and let us put aside the question of how deep the reductions ought to be.

Assuming for the sake of argument that you are agreed, what about the kind of problems that we will encounter in terms of modernization, or to put it another way, some of the future systems problems that we have encountered in the context of strategic arms control?

If we were successful—again for the sake of argument—in achieving a reduction to parity at a stated level, a numerical goal, for each of the categories that we have identified, tell me how you would address the problem of a change, qualitatively, in those weapons, so that at some point, the change in their capability makes them almost a new animal.

That would, it seems to me, depend at the very minimum on the kind of verification, not just of numbers, but some sort of qualitative monitoring, to determine whether or not the fact that we have got the same number on our side does not put us at a marked disadvantage, because of the change in the capability of those so-called same units.

Mr. **Sloan**. I am sure both of the other witnesses have a reaction to that.

I would like to suggest a theorem: the deeper the cuts in a quantitiative sense, the more important qualitative change will be to the balance.

That may be a somewhat heretical position, but one, I think, that has to be considered even though the military does not like to hear it, our military does not like to hear it. But if we go to very deep reductions, and I think we also will have to look at how we monitor and negotiate with the Soviet Union about qualitative changes in the force posture that might come down the road—it does not make much sense to reduce forces even minimally, but certainly not in deep reductions, without having some kind of mechanism to ensure that technological change does not come along and destroy the stability of that reduction outcome. So it is a serious problem.

We are only now analytically reaching toward conclusions on how to deal with such issues, and there is very strong resistance in defense establishments, which is very logical, to any kind of limitations on qualitative improvements, particularly since, in high technology areas, we have generally sustained the lead over the Soviet Union.

The fact is, if we go to deep reductions, qualitative change will have a very important potential impact on stability.

General **Goodpaster**. I would like to add another point, and that is that some qualitative change could be very important in the way of undergirding the stable security in the new arrangement that we are talking about here.

I mentioned earlier having improved capabilities of surveillance, reconnaissance, target acquisition, and battle management. I would add to that the ability to take forces under attack at a greater distance, supposing you had the zones that I have discussed, if those zones were established and then were violated.

On the matter of the significance of qualitative change, I would watch carefully the relationship of the forces on both sides, both East and West and I would see the need for an ongoing dialogue that would keep it clear on both sides that nothing prejudicial of a stable balance was being introduced.

Now, this is an area where the effects can very easily be exaggerated and overdrawn. But if we have indeed proceeded down this road with the aim of providing a more stable security relationship in Europe, then I think it does become appropriate to consider what the impact of new devices, of qualitative change, might be. We would have to contemplate the necessity for continued consultation and dialogue with the Warsaw Pact on matters of that kind.

I know there are some thoughts that you should freeze the technological state of your forces. I think that is quite unrealistic, and not desirable, because some technological progress here, as I suggest, could reinforce the security arrangement that is put into effect.

So I think that we have to foresee the continuation of technological advance, but along with that it, will become a necessary subject for the consultation from both sides.

Senator **Wilson**. Mr. Kaber.

Mr. **Karber**. I basically agree with both of the previous commentators.

In the current environment, we face an enormous and unfair asymmetry. Every Soviet weapon system from a hand grenade to a ICBM is a black program. So we do not know what they are really up to, and we are at a large disadvantage in being able to track what is going on.

The term that is generally used in the intelligence community, about this uncertainty on our part is the "bathtub of ignorance." We get a sense of where they are pushing the state of the art in R&D by recruiting scientists and so forth on a given project, and then it tends to disappear from sight until we see a design prototype on some range somewhere, and it is very difficult for us to react.

From the past, that has then required us to conduct an extremely aggressive campaign to try to run harder to stay ahead, to offset that asymmetry. But, if we can envision an environment where we have a CFE agreement based on NATO's proposal, let alone one much deeper, then we can envision the Soviet Union not continuing to keep us in the dark in terms of normal accessibility to what is going on. If they are, I think that those potential CFE agreements are going to be doomed, in either case, over the long term.

Now, if we get NATO's proposal accepted by the two sides, or some variant of it, what we will have essentially created is not a "one-time deal" arms litigation agreement. We will have created a living document, and frankly, in discussing this issue with the Soviets, I think that they themselves recognize this, talking about war reduction centers, and the need to have this living organism perpetuated, lest it become static—the moment it becomes calcified, it will in fact become corrupted, and in fact, probably an inhibitant to stability, rather than a perpetuant of it.

Senator **Wilson**. Well, let me just say that I agree with the response of all three of you, and I am heartened to find that I do, because it suggests to me that I am thinking about it correctly.

But that is precisely the point. That is what occasioned the question. I agreed with the statement Mr. Sloan made, that ironically the deeper the cuts, the more important the technological change, the qualitative change.

That being true, and given the inherent difficulty, if not the impossibility, of verifying research and development, until you finally see it deployed on a range someplace, it suggests that there has got to be an incredible change in terms of the way the Soviets have operated.

As you point out, everything from a hand grenade to an ICBM is a black program, whereas for their part, if they read Aviation

Week and other publications, they cannot even bother attending hearings.

It portrays to me, or points up, what I find the most difficult single situation in terms of talking about arms reductions of any kind, strategic or conventional, and that is the asymmetry that exists with respect to the publicity that attends weapons development.

And I really think that needs great attention. I am not sure that it is really capable of resolution, unless there is a total change in the civilization which we are all hoping for, in an age of glasnost. But I am not sure yet how real that is.

I do not know that we yet have developed a means of even coming close to determining the sufficiency of that in an analytical way, a purely hypothetical way. I am curious as to what your thoughts are with respect to our being able to achieve sufficient assurance to really be able to negotiate with some comfort level.

Mr. KARBER. I think in a way, we already have an insurance program. We just want to make sure we do not let the payment lapse. In fact, if I remember correctly, this "insurance program" was initiated in this room.

It is called the Balanced Technology Initiative, although considering its mandate to increase R&D work for conventional forces issues, it really ought to be thought of as the Battlefield Technology Initiative. It is an attempt to try to put some up-front money in the budget for exploring the frontiers of where technology is going. The idea of BTI is to serve as a technology development and demonstration program focused on a few areas with the potential for a large operational payoff in the future, and either accelerating promising work already underway or making it easier to get a fast start on new and innovative concepts. Now at times it does not sound very pro-arms-control to say one has to run as hard as one can in pushing the state of the art of R&D so you can in fact negotiate a stable arms agreement in the current environment——

Senator WILSON. But you really do. Is that not the bottom line?

Mr. KARBER. In the current environment, until the Soviets change the rules of the game of relative access, I think you do, yes, sir.

That does not mean you necessarily have to take everything that you do R&D on and procure it. I think one has to be very discriminating, particularly in increasingly tight budgets, of making sure you are picking the right systems that you really need which is what the BTI is all about.

But in terms of pushing the technological state of the art, in defense as much as offense, I think we would be kidding ourselves, given the asymmetrical access, if we were not to do it.

General GOODPASTER. Could I add just a word to that? If in time we talked about verification and instrusive inspection in this area, it has two sides or, two edges of it. It cuts us as it cuts them. So that is one reason this will have to be very carefully calculated.

Another point of interest is what I think is a genuine attitude on the Soviet part. They seem to think that we have a considerable and inherent technological advantage over them in terms of our capabilities to achieve technological advance, and I think there is experience that does tend to bear that out.

I have heard from them, and have seen some of their comments which go so far as to say that in a situation where there has been negotiated an agreement on these reduced strengths, it should be accompanied by an agreement that it is incumbent on the side that introduces new weaponry to make provision for verification as to the utilization, the planned utilization, either through deployment or numbers or capabilities, of this new technological equipment.

It becomes very hard to think of their getting that information about our technology, and this will be a very difficult matter to address. Yes, it is true that we provide a lot of information about what we have done and what these new weapons can do and so on. But offsetting that in their mind is the fact that we have this underlying greater ability to push the technology forward.

Now, as you say, it will be a difficult issue because you have conflicting considerations that come to bear here. I am very clear, though, that the wrong thing to do would be to try to freeze technology at any point.

Senator **Wilson**. Thank you very much.

Thank you, Mr. Chairman.

Chairman **Nunn**. Senator Wilson, if you need more time to ask questions, please go ahead.

I am going to wrap it up when you finish asking your questions.

Senator **Wilson**. Let me just ask this question.

### DEFENSIVE SUFFICIENCY

We have been talking today in terms of a phrase that I think a couple of you have used, that ideally we would reduce—and there is some dispute about that, now that we have gotten away from the hypothetical agreement. There is some dispute about what constitutes defensive sufficiency.

General Goodpaster has used that phrase. I am not clear, and maybe this is purely semantic, but I am not quite clear to begin with on what a purely defensive sufficiency is, in terms of the capability for counterattack. If you are attacked, how do your counterattack forces, how are they defined? Are those within the definition of defensive sufficiency?

Mr. **Karber**. In the Soviet view, very much so. From what has been said so far—that is their new doctrine. They envision a level of counterattack at essentially every organizational level of war.

Senator **Wilson**. So, in a particular case, we are not talking just about anti-tank weapons, we are talking about tanks?

Mr. **Karber**. That is right. And the tactical reason for that is that if someone fights their way into your position, at the moment he is in your position, both of you are sort of maximally vulnerable. If you can attack him back, you can frequently throw him completely out and inflict much higher losses on him.

On the other hand, if you do not throw him out, he is likely to force you out of your position and inflict extremely high losses on you. So, there is a very sound logic behind the desire for a counterattack I mean, I do not think they are being disingenuous about it at all when they say that, tactically, one needs a counterattack capability.

And as you get up into higher levels of organization, one starts thinking about larger counterattack forces. Now, the difference, technically, between the counterattack and the counteroffensive is that instead of trying to only throw him out of your position, you are going on his side of the territory to seize the initiative, and try to do something to his forces on his ground. Stalingrad is a classic example. The Russians probably would have lost at Stalingrad had they not made that counteroffensive, which went on the German side of the line and encircled the 6th Army. So one is not endangering stabilization by arguing that you need some counterattack capability.

Typically in current Western thinking—the West Germans are almost dogmatic about it—at every organizational level, one-third of the force goes into the counterattack role. In a way, it is also a critical hedge against the sheer uncertainties of battle. That is, things happen out there that the best computer model and the best commander just cannot anticipate, and you need that reserve force to react to those contingencies.

That is, I think, the danger in pushing force levels too low, that you lose that option to hold back forces for such contingencies. I think General Goodpaster, having commanded large organizations, has a better perspective than I have.

General GOODPASTER. I would just make the point that I mentioned this in my remarks because this is quite an obscure area, and this will require clarification.

One way of clarifying it is the strength, the composition and the deployment that is permitted by those provisions. You then place some kind of a limit on the capability for deep and sudden penetration. And it seems to me that focusing on a quick invasion capability and working to reduce that to as low a level as possible is going to prove to be the practical way of getting at this issue.

But if it is attacked at the theoretical level—I have read an awful lot of theory on this, and it does not get you very far.

Mr. SLOAN. Could I just make a brief conceptual comment, since I do not have the expertise or the experience of the gentleman on my left?

From an arms control perspective, the term defensive sufficiency does not make a lot of sense when you just look at a military force by itself. What you have to look at is the relationship between forces, and defensive sufficiency under the circumstances of one threat will not be there under the case of another threat.

I think that in an arms control context, you cannot just look at a force in isolation and say that force is defensively sufficient.

Senator WILSON. By definition, it depends on the offensive capability that you are trying to contain?

Mr. SLOAN. That is correct.

I think that sometimes we tend to forget that very basic point in talking about what defensive sufficiency and other such terms mean.

Senator WILSON. Yesterday the committee was told that what the Warsaw Pact really fears most is the theater capability, the capability of theater nuclear weapons.

### THEATER NUCLEAR CAPABILITY

I gather from what I have heard this afternoon that none of the panelists would disagree, or at least that you think that it is a part of wisdom for us to maintain that theater nuclear capability?

General **Goodpaster**. As far forward as I can see, we are going to need a theater tactical nuclear capability. It is an inherent and essential part of the deterrent, at least through this midterm period. We could use some work on the size and composition of that, the particular kinds of weapons, and I would look to General Galvin and seek his judgment on that, because he has to look at the balance of forces and then see the role of these tactical nuclear weapons in giving that added contribution to the deterrent to make it fully credible.

Senator **Wilson**. Thank you, Mr. Chairman.

That was generous of you and the panelists. I do not want to detain them any longer.

Chairman **Nunn**. Thank you, Senator Wilson.

I just have a couple more questions. This one is for Mr. Karber.

### VERIFICATION PROBLEMS

Do you see any possibility of setting up some kind of pilot project on verification of the unilateral Soviet withdrawal, so that we could begin to determine what kinds of verification problems we are going to have later on? I threw that suggestion out last year.

It seems to me that verification of these conventional cuts, whether 10 percent or 30 percent or 20 percent or 50 percent, is going to be a key element. It would be useful if we could go ahead and get some experience as the Soviets are clearing out their unilateral cuts.

Could you respond to that idea?

Mr. **Karber**. Yes, sir.

Like you, I was fairly optimistic in December. In some ways, they are doing that. They just did not invite you or me. They are inviting the Western news media, which I think in a way is unfortunate, because what it suggests is that they are playing this for domestic public consumption, as opposed to trying to seriously change the threat perception of governments in the West.

The invitations are going to the Western news media to cover the withdrawals, starting on April 15 and continuing for the next 2 years. Now if we watched the withdrawal from Afghanistan 67 times on the evening news, we will see the withdrawal from Central Front at least 200 times. And I think it is going to have a major impact, by the way, on public perceptions in the West.

I would hope that they would read your reaction to Gorbachev's speech. As you know, I was not a big fan of confidence-building measures at a time when many people said, "We cannot get reductions, let us go the easy way, with confidence-building measures." But once we have gotten the militarily significant reductions, which I think could come under Gorbachev's unilateral reduction plan, these kinds of confidence-building measures can really be very beneficial to both sides.

It is one of these classic cases where both sides can win by doing it. But it is hard to predict. I hope they will re-read your piece, sir.

Chairman **Nunn**. Do any of you see any possibility of limiting production lines as part of a mutually agreed arms control agreement, as opposed to a unilateral agreement?

Soviet production lines, as has already been pointed out, can turn out a huge number of tanks a year that would make the destruction of X number of tanks disappear in a very short time in terms of its relevance.

Mr. **Sloan**. That is an idea that as you know, Senator, has some currency with a few analysts, and I think it probably has some potential down the road with big-ticket items.

It is pretty hard to do with smaller items of production. As you know, Karl Kalser has, in the book that you have in front of you, suggested that in terms of tank production, but I think it is something that will not be seen as politically feasible in the next few years.

But if there is progress made, for example—let us say there is an agreement on reducing down to parity, then ideas like that might look more feasible, based on the political will and the experience of a reduction agreement.

Chairman **Nunn**. Does anybody else want to comment on production lines?

Mr. **Karber**. If I could just quickly comment. I think, in a way, that is built into this CFE regime.

That is, you have, say, in West Germany, Krauss-Maffei, or in the western U.S.S.R. you have Leningrad number three or Kharkov's tank plant, and they are going to have materials coming in and vehicles coming out. Now with these production plants, inside the formal arms control agreement area, the vehicles they produce will also be inside the formal arms control area, and thus covered by the agreement.

I think that we are going to end up backing into some of that not in the long term, but probably in the short term.

Chairman **Nunn**. I am not sure that I follow you, why is that?

Mr. **Karber**. Well, for example, let us take the Kharkov plant in the Kiev Military District, an area which under a CFE agreement would have imposed a certain limitation on numbers of tanks allowed. That plant typically will produce tanks and line them up outside, just like we would do, in the process of production, and test them out. That line up of tanks would have to count against their allowable total as part of the arms control regime.

So the newly-built tanks are counted in that total number. Ostensibly one would have the right to have challenge inspections. The Soviets have agreed to that. So I think that, for the areas that are covered by the CFE agreement, the potential is there for addressing production limitations. In any case, via national technical means, it is a very critical method by which we will be watching and testing their observance of an agreement.

Chairman **Nunn**. Mr. Sloan, are the United States and our allies on the same wave length, in terms of an agenda, for CDE number two?

Mr. **Sloan**. I think we will find some differences in CDE as we do in CFE, because we do have different agendas from our different national perspectives.

I have not asked or looked deeply into how fundamental those differences might be. I suspect that they will not be quite as hard as in the CFE negotiations, because in CDE we are talking largely about transparency and cooperative measures, things that do not necessarily bite too stongly on Western forces.

When we get into the question of Soviet proposals for constraining Naval forces in the CDE framework, which I think will clearly happen in the CDE, then we may find some differences, some allies feeling that there might be some naval constraints that would be acceptable.

I think the United States will resist it quite strongly, and justifiably so. I do not see any strong differences going into the CDE at the moment.

Chairman **Nunn**. What about the confidence-building measures? Do we have measures that are viewed more favorably by the European allies, potentially?

Mr. **Sloan**. European allies all support strengthening the Stockholm measures, and I have not seen whatever has been submitted on the Western side in the new negotiations.

I suspect that since we are behind in this area, in CFE, that the West has not really developed the package that it will table as an approach for confidence-building and stabilizing measures in the CFE framework, that the work may also be lagging a bit in the CDE context.

There is more general agreement within NATO that whatever measures we can get in the area of opening up, making more transparent the Atlantic to the Urals area, it will be positive. We will find some problems when measures, particularly those that affect some countries more than others—and again the German question comes into it. They may have objections to some specific measures that bite on them more than on other countries.

Chairman **Nunn**. Finally, General Goodpaster, do you believe that the institutional framework of NATO provides for an adequate forum for Alliance members to look down the road to what we think ought to happen mid term and long term?

Do you think we have an institutional capability in NATO to look to the year 2000, based on your own experience plus your observations?

General **Goodpaster**. The institutional framework is there, I believe. If the decision were taken to bring these matters under consideration, the top level organization is there in the form of the North Atlantic Council.

Probably some reinforcement of the international staff and of the staff of the military committee would be required, and I believe that the commanders should be brought into this, though their focus is more on the present and the near future. They still have some very fine professional contributions to make because of the quality of their integrated international staffs.

So, I would say that my concern would not go to the institutional framework. It would be to the readiness and the decision to really project their thinking and their deliberations out that far.

Chairman **Nunn**. You have had a lot of experience in the military and in NATO, and you have just made a proposal that I think anyone would call a bold proposal about where we ought to have our vision in the mid-1990s and thereafter.

Arms control—if you were General Galvin—would you have the ability and the authority to take the Goodpaster proposal and analyze it now, when NATO has another proposal on the table?

General **Goodpaster**. I think he would have to have a good deal of consultation with the chairman of the military committee and with the Secretary-General who would talk to the ambassadors.

Chairman **Nunn**. How about the Joint Chiefs?

General **Goodpaster**. I believe there is some reluctance—and here I speak with the bias of a man who formerly sat in that position—I think there is some reluctance to turn those things loose to the integrated international military staff.

There are nations which wish to keep a tighter hand on and tighter control on the debate on those issues. My own feeling, however, is that if called upon, he and his staff could make a very excellent professional contribution to the consideration of the issues of this kind.

Let me just——

Chairman **Nunn**. If you kept asking for professional military analysis, is it going to be hard, institutionally, for that analysis to come until there is some political direction for them to move in that direction?

General **Goodpaster**. Yes.

If I could use an analogy—when I took up the post of SACEUR, I found that there was a good deal of discussion on a very much piecemeal basis, that this country wanted to cut back here and that country wanted to cut back somewhere else.

In discussions with the then-Secretary General Manlio Brosio and the Chairman of the Military Committee, we developed the idea of looking to the end of the 1970s—this was 1969, when I took over the command—looking to the end of the 1970s and forming views and a proposal as to what should be done to remedy some of NATO's principal areas of weakness.

Secretary General Brosio, with that wonderful Italian skill, was able to get the agreement of the North Atlantic Council to allow this study to go forward. We did indeed prepare something. It was called Allied Defense in the 1970s—AD 70, it was called.

Something similar to that would easily be possible, but it has to be laid on by the top authorities of NATO, and they would only do it after very careful consultation with the countries involved.

Chairman **Nunn**. Is there danger here that the institutional interest—for instance, someone mentioned the British Army, and someone probably could have mentioned the U.S. Army or the U.S. Air Force, or any of the other institution—may analyze your proposal from their own perspective long before the broader perspective is applied to it?

General **Goodpaster**. I am sure that that will happen, but they also are concerned with dealing with the issues as they present themselves, and they will have to deal with a wide range of mixed interests and pressures. They are under considerable financial pressure, as you know so well, and they must now be looking to see in what direction we can move that will at least provide for the level of security that we have now, even in the more financially constrained environment, and hopefully improve upon it. I think the Gorbachev opening provides opportunity to move in a sensible way in that direction, instead of having cuts forced that are arbitrary in their impact.

My own hope would be that our military and indeed the military in NATO would look on this as an opportunity to respond to these pressures—they do not exist only in this country; they exist elsewhere—not in the sense of making unjustified concession to those pressures, but to take advantage of the Gorbachev opportunities, so far as they can be verified and confirmed, to ease and restructure, in a way that will help to meet some of these financial pressures that are really quite severe and which apparently are going to continue to be quite severe.

Chairman **NUNN**. I would invite a response or reaction from each one of you on Mr. Donnelly's testimony before the committee on April 5 to his thesis of where he visualizes the Soviet Union is going with their unilateral steps, and perhaps even further arms control steps. I will ask staff to furnish you with a copy of that portion of the transcript when it comes back from the reporter.

In addition, I would invite you to supplement your remarks at any point you would like, and provide the committee with further views as these matters unfold. The committee will be focusing in our strategy hearings this year at where the Soviet Union is going in the broader context—not just military and arms control, but political, economic, cultural and social.

Also, we are going to be looking at this conventional arms control proposal in considerable depth. This will not be the committee's last look at this proposal, we will follow its progress closely.

You have been very helpful. It has been a good hearing, and the committee thanks all of you for your efforts. We appreciate your testimony, and your enlightenment this afternoon.

Thank you.

[Questions for the record with answers supplied follow:]

## QUESTIONS SUBMITTED BY SENATOR TRENT LOTT

Senator **LOTT**. General Goodpaster, the Pershing Missile has been an important part of our deterrent force in Europe for 20 years, but it was eliminated by the INF Treaty. There are those who say that this makes it essential to modernize our remaining short range "Lance" Missile System to compensate for loss of the Pershings—but there appears to be resistance in West Germany to modernizing "Lance."

Within the conventional force equation in Central Europe and its link to nuclear forces, how important is "Lance"?

If West German opinion opposes "Lance" modernization is it worth the strain on the alliance to press the issue?

General **GOODPASTER**. With regard to the questions concerning "Lance," my understanding is that there are technical reasons supporting modernization, principally that the production of spare parts is now scheduled to terminate within a few years. At the same time, the questions are involved in a broader issue relating to the role of the tactical nuclear weapon component of the NATO forces in Europe. I myself consider this nuclear component to be a *derivative* need arising from the overall conventional force relationship between NATO and the Warsaw Pact in Europe. At the present time, a substantial tactical nuclear component is essential, in my view, and I believe it will remain essential as far forward as I can foresee, even if the forces on the two sides are brought to parity through asymmetric Soviet reductions, and even if the force levels, at parity, should be reduced substantially below present NATO levels. However, should such reductions of conventional forces occur, it should be possible to make reductions in the numbers of certain types of tactical nuclear weapons in Europe. I do not think it would be appropriate for me to comment on current specific negotiations within NATO, but I do believe that an approach to the issue as suggested above might help to place the Lance problem in a better perspective.

Senator **LOTT**. General Goodpaster, the restationing of major forces from Europe to the United States reportedly would be very costly since new facilities would have to be constructed here and more land acquired for training areas.

If the CFE negotiations are successful and allow withdrawal of major U.S. forces, how necessary would it be to keep them in the force structure thus requiring us to invest in new basing facilities?

General **GOODPASTER**. With regard to the question of restationing major forces from Europe to the United States, the most important consideration in my opinion will be the assurance of reinforcement capabilities for NATO which adequately match those of the Soviet Union. The negotiations with the Soviet Union should cover this issue, and the limitations they accept, and that we can verify, will provide the basis for military calculation regarding the necessity for keeping the European forces in our force structure.

[Whereupon, at 4:37 p.m., the committee was adjourned.]

# INTERNATIONAL SECURITY ENVIRONMENT (STRATEGY)

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TUESDAY, APRIL 11, 1989

U.S. Senate,
Committee on Armed Services,
*Washington, DC.*

## IMPLICATIONS OF GORBACHEV REFORMS FOR UNITED STATES AND ALLIED SECURITY

The committee met, pursuant to notice, at 9:05 a.m., Senator Sam Nunn (chairman) presiding.

Committee members present: Senators Nunn, Levin, Dixon, Glenn, Wirth, Thurmond, and Gorton.

Committee staff member present: Lucia M. Chavez.

Professional staff member present: Robert G. Bell.

Minority staff members present: Patrick A. Tucker, minority staff director and counsel; Romie L. Brownlee, deputy staff director for the minority; Robert F. Bott, Brian D. Dailey, Judith A. Freedman, Ronald P. Kelly, George W. Lauffer and Mark B. Robinson, professional staff members.

Staff assistant present: Lori M. Jackson.

Committee members' assistants present: Jeffrey B. Subko, assistant to Senator Exon; Kenneth N. Luongo, assistant to Senator Levin; William J. Lynn, assistant to Senator Kennedy; Phillip P. Upschulte, assistant to Senator Glenn; Jefferson B. Seabright, assistant to Senator Wirth; Terrence M. Lynch, assistant to Senator Shelby; Christopher K. Mellon, assistant to Senator Cohen; Anthony H. Cordesman, assistant to Senator McCain; Robert M. Soofer, assistant to Senator Gorton; Charles Pearcy, assistant to Senator Lott; and Eric H. Thoemmes, assistant to Senator Coats.

### OPENING STATEMENT OF SENATOR SAM NUNN, CHAIRMAN

Chairman Nunn. The committee will come to order. The committee meets this morning for the third in its series of hearings on strategic issues of critical importance to United States and Allied security interests. Today's hearings will address recent changes in the Soviet Union under President Gorbachev including changes in the economic system.

We are pleased to have a distinguished panel consisting of Dr. James Billington, the Librarian of Congress and a longstanding scholar on the Soviet Union; Dr. Ed Hewett; Senior Fellow at the Brookings Institute and one of the Nation's leading experts on the Soviet economy; and Dr. Steven Rosefielde, Professor of Economics at the University of North Carolina, Chapel Hill, who is also an expert on the Soviet economy.

We welcome all of you here this morning. Senator Thurmond, do you have an opening statement to make this morning?

Senator **Thurmond**. Yes, very brief. Mr. Chairman, I want to congratulate you on this series of hearings. The distinguished group of witnesses who have appeared before this committee have provided a wealth of information on Mr. Gorbachev's reforms. I believe we are all much better prepared for the important decisions this committee will be making later in the year. Although many renowned scholars and diplomats are calling for outright support of the Gorbachev policies and a complete reversal of our relations with the Soviet Union, I am not ready to go to that extreme.

I support the Gorbachev reforms and the beneficial impacts they could have on both, the society and the Soviet economy. However, I am not prepared to completely let down our defenses against Soviet military power. President Bush is on the right track by taking a deliberate approach in developing a strategy for dealing with Mr. Gorbachev. I support his efforts and encourage him not to be stampeded by the publicity campaign initiated on behalf of Mr. Gorbachev.

Mr. Chairman, I join you in welcoming these distinguished panelists and look forward to their statements.

Chairman **Nunn**. Thank you very much, Senator Thurmond. Dr. Billington would you lead off with your statement?

## STATEMENT OF JAMES H. BILLINGTON, LIBRARIAN OF CONGRESS

Dr. **Billington**. Thank you Mr. Chairman. We are witnessing today in the Soviet Union an unprecedented mutation in a system that is itself unique. It is both the last of the multi-national empires to survive from pre-modern times and the first ideologically driven absolutism to appear in our own century. This secretive centralized system with its high degree of continuity in both policy and personnel has long presented the outside world with a frustrating inflexibility, but a certain reassuring predictability.

When change finally comes to such a system, pent up and conflicting emotions are released, often with unforeseen consequences, so that we must now deal with a more flexibile, unpredictable, Soviet Union in which the spectrum of possible change has broadened immensely. The range of realistically conceivable outcomes now includes favorable ones that few would have considered possible a few years ago. Alas, that broadened range also includes unfavorable possibilities that few seem willing to talk seriously about today.

Serious analysis should move beyond our preoccupation with Gorbachev's style, his sincerity, his successes, even his survivability beyond even speculation about his reform programs since it itself is an everchanging set of probes and improvisations to the basic question, where is the Soviet Union heading. If no one today, probably even Gorbachev has a clear answer, it may at least be possible to isolate the most politically important forces of change that are currently at work in the Soviet Union. And I think there are three deep, determining, forces in the Soviet Union today.

First, a passion in the broad public to change radically the inefficient economic and administrative system about which my colleagues I am sure will have important things to say. Second, a determination in the party oligarchy to modernize and strengthen the controlling Leninist political machine. And third, the search for some kind of new non-Stalinist identity and legitimacy within the dominant Russian nationality.

Now these three forces work concurrently in the Soviet Union, often in conflict with one another. Gorbachev's leadership is wrestling with all three, but we in the West are for the most part, tracking only the first of these forces, the popular thirst for radical economic and administrative reform. Having long underestimated the extent of the economic failures in the Soviet Union, the West may now be exaggerating the extent to which Soviet power is crippled by them. But there is clearly now an elite consensus in the Soviet Union that its economic failures are systemic and require structural change based on models from outside.

Gorbachev is the first university graduate ever to rule the Russian empire in any of its forms and he is attempting politically to mobilize a new kind of professional middle class that he grew up with himself in the unprecedented period of peace, relative prosperity, and broadening education in the post war, post-Stalin U.S.S.R. *Glasnost* and the introduction of a measure of popular choice in the new electoral system represent an unprecedented attempt to enlist this amorphous group as a kind of political counter to the conservative party bureaucracy.

In balancing Yeltsin on the left against Ligachev on the right, Gorbachev is using a classical Leninist control device—enforcing party obedience for a line that avoids both right and left deviations in the name of a vague slogan for change, *perestroika,* which only he as leader can define. Now these tactics point up the second of the three deep processes currently at work in the Soviet Union, the modernization of the Leninist political machine.

We in the West have never understood Leninist politics or the simple fact that however great their economic failures, this political machine remains one of the largest and most effective systems of control in the modern era. Though not successful in our terms of delivering service and securing rights for people, the Leninist politcal machine has succeeded brilliantly in its own terms of perpetuating the power of the party oligarchy while manipulating divided foes abroad and atomizing opposition forces at home.

So Gorbachev is not just a bright young reformer, he is the gilded protege of Andropov and Suslov, two of the most powerful, purest products of that inner *nomenklatura,* the Leninist-control structure within the Soviet state, which dispenses privilege and promotion and involves perhaps three million people within the Communist party itself. Andropov modernized and brought scientific talent into the KGB, which is in many ways the central institution within the *nomenklatura* and considerably more important in internal Soviet politics than the army.

Senator THURMOND. Dr. Billington, would you speak in that microphone a little closer.

Dr. BILLINGTON. I am sorry, Senator. Gorbachev appears to have been discovered by his powerful patrons while vacationing at the summer resort in Stavropol—somewhat like visiting dignitaries discovering a lifeguard in the Beverly Hills Hotel. But we are still largely in the dark about how he rose so meteorically to the top without ever exercising executive authority over a major region or significant enterprise. And we are also in the dark about how the entire *nomenklatura* system actually operates today.

What is clear is that Gorbachev has already amassed more formal power than any General Secretary since Stalin, the only limitation to his undisputed leadership being that of a 10-year term on the presidency. The power of a leader in this kind of a system is always strongest in foreign policy where we have to be concerned about it. And the party's primary purpose there has never, of course, been military conquest so much as the effective use of military and police power for political advantage. The party can equally well use reductions in arms for political purposes.

If Gorbachev's economic reforms have somewhat weakened the political authority of the party oligarchy at home, he may well have strengthened both the ultimate control power of the *nomenklatura* and its ability to gain new political advantage abroad. Indeed the power of the security forces may actually have increased, even if that power is being used with considerably more discretion. Cab drivers in provincial cities today will often point to the *bol' shoi dom,* the "big house" or KGB headquarters, as one of the largest and newest buildings in the town. And Gorbachev's eminently agreeable new foreign minister rose to power through the internal security system.

The problem with Gorbachev's reform program is that it is mostly *glasnost* and not too much *perestroika* at a time when there is less food appearing on the table. And the resultant restiveness that has begun to appear most dramatically among the subject nationalities of this multi-ethnic empire serves, paradoxically, to intensity and increase the political importance of the third deep force at work in the Soviet Union today: the search for a non-Stalinist Russian identity. This is the key element in the broader search for a new legitimacy in the Soviet Union, and Gorbachev's efforts to work with it are among the most original parts of his program.

For Gorbachev is not just a child of the *nomenklatura* and a graduate of Moscow University. He is also an ethnic Great Russian who made his political career entirely in the Russian Republic and has assembled the most ethnically Great Russian top leadership that the U.S.S.R. or indeed, the Russian empire, has had for many, many years. Almost all are Great Russians in the top leadership who have made their careers largely within the Russian Republic—many in its most intensely Russian part: Siberia. Thus, the increased activism of the minority nationalities only intensifies the need of the dominant and still controlling Russian majority—or plurality at least—to find an identity and legitimacy other than Stalinism.

Now in foreign policy, Gorbachev is not following Khrushchev's neo-Leninist insistence on a rising revolutionary tide in the Third World. Instead he is retreating to an inner ring of traditional Great Russian geopolitical interests. He also seems to be moving from exhortation about a global Communist future to re-examination of the Russian past.

He seems to be cautiously buying into the Russian version of the response by so many ethnic communities faced with the change to go back to the basics and return to roots in this case the most basic roots in religion and nature. One need only contrast Gorbachev's de-Stalinization with Khrushchev's, which was more dramatic institutionally, dismantling the forced labor camps, but much more ideologically traditionally in its Leninist revivalism.

Whereas Khrushchev, for instance, savaged the Russian Church almost as drastically as Stalin had in the 1930s, Gorbachev has received the Patriarch in the Kremlin, returned a number of church properties, and sent his wife to attend a major celebration commemorating the millennium of Russian Christianity last year. Mrs. Gorbachev also sits on the board of a new Cultural Fund, whose chairman, Dmitry Likhachev, Russia's leading expert on old Russian culture, has become a television celebrity conducting a kind of remedial reading program on what Russians have lost or allowed to decay of their heritage.

Whereas Khrushchev sought legitimacy and forced economic development, Gorbachev has paid some attention to the deeply Russian and almost quasi-religious environmental movement, recently creating a State Committee for the Defense of Nature. The so-called "village writers" have long dominated Russian literature with their call to a return to the violated moral verities of rural Russia. Their leader, Valentin Rasputin, lives in Irkutsk, Siberia, keeping a kind of one-man environmental watch over Lake Baikal, after having lead the successful campaign to overturn the Politburo-approved plan to reverse the flow of Russia's northern rivers.

Closely related to preserving nature is the restoration of historical antiquities, which means primarily churches. The 47 million members of the national organization promoting historic restoration constitute the largest of the proliferating non-official groups that seem to be introducing the beginnings of a civil society into the Soviet Union, which is one of the most important developments if there is to be any real change in that society.

Chairman NUNN. Are those organizations given the blessings of the state, for instance, the one you just mentioned, the national society on historic restoration? Has that organization received full governmental approval and full cooperation?

Dr. BILLINGTON. Yes. They are technically called social organizations rather than state organizations, but they cannot come into being without that approval and indeed that membership is somewhat inflated by the state once it comes into being. The history of that one is quite interesting because it was generated as a kind of spontaneous popular reaction against the burning of one of the oldest wooden churches in Russia. There was such a profound revulsion at the end of Khrushchev's anti-religious campaign so it has its origins and a revulsion against state policy.

Once it gets going and seems to have real momentum as that one has over the last 25 years, then the state sort of tells whole sections of their society to join in a sort of corporate membership, so that the various bodies, which are state bodies, buy into an organization which is technically an independent social organization. And so in a way, they try to co-opt these things once they come into being. That one is one of the oldest of these organizations, but so they are and they are not in a sense. They cannot come into being without state sanctions and in some cases, the state tries to take them over once they are in being.

I am, in, any event, a long run optimist about the net constructive effect of these kinds of forces for change in the Soviet Union, but there are ample grounds for caution if not pessimism in the short and medium term. There is no more insecure time in the life of an empire than when it is facing the devolution of its power. And there is no more dangerous time in the life of a religion, communism being, after all, a secular religion, than when it has lost its inner faith but retains the outer trappings of power. And, of course, the most fundamentally threatening aspects of power in the Soviet Union have not decreased in their essentials, the ability either to destroy us directly with modern weapons or to marginalize us decisively by making traditional geopolitical gains in Eurasia.

Particularly if the current national minority unrest should blend with social upheaval in the Soviet Union or should escalate to the larger nationalities, say the Ukraine or Muslim Central Asia, the likelihood would grow that a militaristic, anti-foreign Russian nationalism would become the fall-back position for a failed communism. The search for a nobler Russian identity—a kind of preoccupation historically of the Russians—could, as often as it has in the past, therefore, be channeled into the kind of xenophobia that is congenial to imperial managers and reactionary bureaucrats, species who seem to survive every surface change in Russian history and are certainly present there now.

While there is an inherent tension between a return to Russian roots and an advance to democratic institutions, it is doubtful that any meaningful and lasting changes can occur in Soviet politics unless the dominant Russian nationality can find a sense of self-worth that is not dependent on traditional sentiments of hostility toward others. Can they recover what Likhachev calls honest patriotism without harmful nationalism—a distinction which he and others continuously make?

But the crisis of legitimacy is especially acute for ethnic Russians. After all, they first authored the Communist experiment. It was not imposed on them by an external power in the same sense that it was on most of the other nationalities of the Soviet Union and Eastern Europe. And yet, they remain economically backward even within the Soviet Union itself. They are seeing the disintegration of their traditional family structures, which have provided the core of their continuing sanity under the difficult conditions of Soviet rule.

They are seeing those traditional roots crumble with one of the highest divorce and abortion rates of any modern country along with rising infant mortality and narcotics brought back from Afghanistan. The success of Gorbachev's program, therefore, may require his admitting Solzhenitsyn as well as Sakharov back into the pantheon of the permitted, something he has not yet been willing to do.

Now the outside world, Mr. Chairman, can affect these processes of change only marginally. But, as the major external model by which they measure themselves, we may have more to write in those margins than we currently seem to think. And I believe that there are at least three immediate things which America can and should do.

First, clearly state a sustainable, common objective that we and our allies want from the power elite of the Soviet Union: final and formal renunciation of the global and ideological ambitions which are still proclaimed at the beginning and end of their current party program. In so doing, we would not be imposing our alternative on them, but merely insisting that they concentrate on the middle part of this same party program, which deals solely and at length with matters of internal Soviet development.

This is what Soviet people themselves want to emphasize, and we in the outside world have a right to ask the Soviet elite to acknowledge clearly that peaceful co-existence is a permanent and necessary condition in a pluralistic world, not a tactical stage in a continuing struggle, which they, the Soviets, must ultimately win. Finally, deprived of its ideological aura, the *nomenklatura* might have to evolve into a normal political structure.

Clearly differentiate is the second point, Mr. Chairman, in our expanding dialogue with the Soviet Union—and I believe it should expand between being firm and specific with the ruling oligarchy on the one hand, yet generous and exploratory with the Soviet people and particularly this new range of civil society that is beginning to develop on the other. We often do this just the other way around.

The 1972 Nixon-Brezhnev declaration of general principles was broad and generous to the rulers, which they then interpreted as a kind of *carte blanche*, whereas the educational exchanges, for instance, have been small and restrictive. We have tended, thereby, to provide free travel for the *nomenklatura* rather than reaching out more broadly to bring over as many as 15,000 students and scholars, the Chinese level, which might give us real social impact.

Third, I believe we should create a unified structure within the U.S. Government to analyze developments and execute policy on a comprehensive and continuing basis. Perhaps a centralized high level office with interdepartmental authority such as the Australians have set up, I am told, for dealing with Japan. It could perform two separate functions, that of the chess player and of the poker player. The chess player should be a professional scholar or civil servant who coordinates all the vast information now available on what the Soviet political machine is doing. The poker player should be an experienced, elected politician who knows American and allied politics and can appraise how the Western world is likely to react both to Soviet actions and to Western responses. Such an office could provide a point of coordination with the Congress, the private sector, and our allies during a time of predictable divisiveness in the West and of potential destabilization in the East.

Mr. Chairman, and I am coming to a conclusion here. Great historical conflicts are usually not resolved directly. If major wars can be avoided, such conflicts tend rather to be gradually bypassed by the need to confront new problems. The classic way for a national state to change its agenda is negative: finding a new external enemy.

It has often been pointed out that an invasion from Mars would produce instant Soviet-American collaboration on practically everything. The more difficult way to change an agenda is the positive way of finding a new vision. At a time when the Communist vision has been discredited at their own hands, ours is not, but it needs to be broadened perhaps and de-parochialized to include more than the narrowly North Atlantic experience with parliaments and market capitalism. That new vision can, it seems to me, be solidly rooted in dynamic forces at work, objectively speaking, in the world today.

These forces are: A growing tendency to seek legitimacy and change in peaceful evolution toward democracy rather than violent revolution leading to dictatorship. The growing demand for participation and accountability in governments everywhere in a variety of ways. And the simultaneous spread, which is a unique feature of our own American society, of both a universal, secular enlightenment, exemplified by the near universal higher education we pursue in this country to our glory. And the libraries and other related institutions I might add. But at the same time a continuing affirmation of ethnic and religious pluralism and identities as an important underpinning and an enduring source of vitality in a healthy democracy.

So the global process of at least approximating democracy may ultimately prove the best long-term guarantee of peace. Its various forms may differ from what we know from our own experience, but it may provide an alternative to Leninism as well as Stalinism in the Soviet Union. Out of the large and rather generally depressing literature on how wars actually start in the modern world, there is one encouraging fact: democracies in history do not fight each other.

If we can bear with and not harm and perhaps in some cases marginally affect the extraordinary process of cultural and econmic ferment going on currently in the Soviet Union, we may be able to help build a new agenda, not focused on our bilateral conflict, as in the recent past. However, unless we find both a new vision and some better coordination in the years just ahead, we may find ourselves continuously on the defensive politically, faced by a Leninist machine that may modernize its power without modifying its objectives.

[The statement of Dr. Billington follows:]

## Statement of James H. Billington
## The Librarian of Congress

Mr. Chairman and Members of the Committee, we are witnessing in the USSR today an unprecedented mutation in a system that is itself unique: the last of the multi-national empires to survive from pre-modern times and the first ideologically-driven absolutism to appear in our own century. This highly secretive, centralized system with its high degree of continuity in policy and personnel has long presented the outside world with a frustrating inflexibility but a certain reassuring predictability. When change finally comes to such a system, pent-up and conflicting emotions are released often with unforeseen consequences. We must now deal with a more flexible, unpredictable Soviet Union in which the spectrum of possible change has broadened immensely. The range of realistically conceivable outcomes now includes favorable ones that few would have considered possible a few years ago -- but also, alas, unfavorable ones that few seem willing to talk seriously about today.

Serious analysis should move beyond our preoccupation with Gorbachev's style, sincerity, successes, survivability -- beyond even speculation about his reform program (since it is itself an ever-changing set of probes and improvisations) to the basic question of where is the USSR heading. If no one today -- probably even Gorbachev -- has a clear answer, it may at least be possible to isolate the most basic and politically important forces of change that are at work in the Soviet Union in response to which the new answers will be crafted. These three deep and determining forces in the USSR today are:

(1) a passion in the broad public radically to change the inefficient economic and administrative system;

(2) a determination in the party oligarchy to modernize and strengthen the controlling Leninist political machine; and

(3) the search for a new, non-Stalinist identity and legitimacy within the dominant Russian nationality.

These three processes are at work concurrently in the USSR -- though often in conflict with each other. The Gorbachev leadership is wrestling with all three, but we in the West are basically tracking only the first of these forces: the thirst for radical economic and administrative reform.

Having long downplayed the extent of the economic failure in the USSR, the West may now be exaggerating the extent to which Soviet power is crippled by it; but there is clearly now an elite consensus in the USSR that its economic failures are systemic and require structural change based on models from outside. Gorbachev is the first university graduate ever to rule the Russian empire, and he is attempting politically to mobilize a new kind of professional middle class that has grown up in the unprecedented period of peace, relative prosperity, and broadening education that the USSR has enjoyed in the post-War, post-Stalin era. Glasnost' and the introduction of a measure of popular choice in the new electoral system represent an unprecedented attempt to enlist this amorphous group into a kind of political counter to the conservative party bureaucracy.

In balancing Yeltsin on the left against Ligachev on the right, Gorbachev is using a classical Leninist control device -- enforcing party obedience for a line that avoids both right and left deviations in the name of a vague slogan for change (perestroika) which only he as leader can define. These tactics point up the second of the three deep processes at work in the USSR: the modernization of the Leninist political machine. We in the West have never understood Leninist politics -- or the simple fact that, however great their economic failures, their political machine remains one of the largest and most effective systems of control in the modern era. Though not successful in our terms of delivering services and securing rights for people, the Leninist political machine has succeeded brilliantly in its own terms of perpetuating the power of the party oligarchy while manipulating divided foes abroad and atomizing opposition forces at home.

Gorbachev is not just a bright young reformer, he is the gilded protege of Andropov and Suslov, two of the most powerful and purest products of the nomenklatura (the inner Leninist control structure of the Soviet state, which dispenses privilege and promotion and involves perhaps 3 million people within the Communist party). Andropov modernized and brought scientific talent into the KGB, which is in many ways the central institution within the nomenklatura and more important in internal Soviet politics than the army. Gorbachev appears to have been discovered by his powerful patrons while vacationing at the summer resort in Stavropol -- somewhat like visiting dignitaries discovering a lifeguard in the Beverly Hills Hotel. But we are still largely in the dark as to just how Gorbachev rose so meteorically to the top without ever exercising executive authority over a major region or enterprise -- and indeed about just how the entire nomenklatura system actually operates today.

What is clear is that Gorbachev has already amassed more formal power than any General Secretary since Stalin -- the only limitation being that of a ten-year presidency. The party's primary purpose has never, of course, been military conquest so much as the effective use of military and police power for political advantage. The party can equally well use reductions in arms for political purposes. If Gorbachev's economic reforms have somewhat weakened the political authority of the party oligarchy at home, he may well have strengthened both the ultimate control power of the nomenklatura and its ability to gain new political advantage abroad. Cab drivers in provincial cities will often point to the bol'shoi dom, the "big house" or KGB headquarters, as one of the biggest and newest buildings in the city. And Gorbachev's eminently agreeable new foreign minister rose to power through the internal security system.

The problem with Gorbachev's reform program is that it is mostly glasnost´, and not much perestroika at a time when there is less food on the table. The resultant restiveness that has begun to appear among the subject nationalities of this multi-ethnic empire serves, paradoxically, to intensify and increase the political importance of the third deep force at work in the Soviet Union today: the search for a non-Stalinist Russian identity. This is the key element in the broader search for a new legitimacy in the USSR, and Gorbachev´s efforts to work with it are among the most original parts of his program.

Gorbachev is not just a child of the nomenklatura and graduate of Moscow University. He is also an ethnic Great Russian who made his political career entirely in the Russian Republic and has assembled the most ethnically Great Russian top leadership that the USSR has ever had. Almost all are Great Russians who have made their careers largely within the Russian Republic -- many in its most intensely Russian part: Siberia. Thus, the increased activism of the subjugated minority nationalities intensifies the need of the dominant Russians to find an identity and legitimacy other than Stalinism.

In foreign policy, Gorbachev is not following Khrushchev´s neo-Leninist insistence on a rising revolutionary tide in the Third World and is retreating back instead to an inner ring of traditional Great Russian geopolitical interests. He seems to be moving from exhortation about a global Communist future to re-examination of the Russian past. He seems to be cautiously buying into the Russian version of the widespread passion of so many ethnic communities faced with change to go back to basics and return to roots -- in this case the most basic ones of religion and nature. One need only contrast Gorbachev´s de-Stalinization with Khrushchev´s, which was more dramatic institutionally (dismantling the forced labor camps) but more ideologically traditional in its Leninist revivalism. Whereas Khrushchev savaged the Russian Church almost as drastically as Stalin had in the 1930´s, Gorbachev has received the Patriarch in the Kremlin, returned a number of church properties, and had his wife attend the major ceremony commemorating the Millennium of Russian Christianity last year. Mrs. Gorbachev sits on the board of a new Cultural Fund, whose chairman Dmitry Likhachev, Russia's leading expert on old Russian culture, has become a TV celebrity conducting a kind of remedial reading program on what Russians have lost or allowed to decay of their heritage. Whereas Khrushchev sought legitimacy in forced economic development, Gorbachev has paid some attention to the quasi-religious and deeply Russian environmental movement, recently creating a State Committee for the Defense of Nature. The so-called village writers have long dominated Russian literature with their call to return to the violated moral verities of rural Russia. Their leader, Valentine Rasputin, lives in Irkutsk, Siberia, keeping a kind of one-man environmental watch over Lake Baikal after leading the successful campaign to overturn the Politburo-approved plan to reverse the flow of northern rivers. Closely related to preserving nature is restoring churches. The 47 million members of the national society promoting historic restoration constitute the largest of the proliferating non-official organizations that seem to be introducing the beginning of a civil society into the USSR.

I am a long-run optimist about the net constructive effect of all these forces for change in the USSR, but there are ample grounds for caution if not pessimism in the short and medium term. There is no more insecure time in the life of an empire than when it is facing the devolution of its power; no more dangerous time in the life of a religion (Communism being, after all, a secular religion) than when it has lost its inner faith but retains its outer power. And the most fundamentally threatening aspects of that power have not decreased in their essentials: the ability either to destroy us directly with modern weapons or to marginalize us decisively by traditional geopolitical advances in Eurasia. Particularly if the current national minority unrest should blend with social upheaval in the USSR or should escalate to the larger nationalities in the Ukraine and in Muslim Central Asia, the likelihood would grow that a militaristic, xenophobic Russian nationalism would become the fall-back position for a failed Communism. The search for a nobler Russian identity could -- as so often in the past -- be channeled into the kind of purely negative nationalism that is congenial to the imperial managers and reactionary bureaucracies that seem to survive every surface change in Russian history.

While there is an inherent tension between a return to Russian roots and an advance to democratic institutions, it is doubtful that any meaningful and lasting changes can occur in Soviet politics unless the dominant Russian nationality can find a self-worth not dependent on traditional sentiments of hostility towards others. The crisis of legitimacy is specially acute for Russians who first authored the Communist experiment, yet remain economically backward even within the USSR and are seeing their traditional family structures crumble with one of the highest divorce and abortion rates of any modern country along with rising infant mortality and narcotics brought back from Afghanistan. The success of Gorbachev's program may require his admitting Solzhenitsyn as well as Sakharov back into the pantheon of the permitted.

The outside world can affect their processes of change only marginally. But, as the major external model by which they measure themselves, we may have more potential to write in those margins than we currently seem to think. And I believe that there are three immediate things which America can and should do.

(1) Clearly state a sustainable, common objective that we and our allies want from the power elite of the Soviet Union: final and formal renunciation of the global, ideological ambitions that are still proclaimed at the beginning and end of their current Party program. In so doing, we would not be imposing our alternative on them, but merely insisting that they concentrate on the middle part of their own program, which deals solely and at length with the more popular matter of

internal Soviet development. The outside world has a right to ask the Soviet elite to acknowledge clearly that peaceful coexistence is the enduring condition of a pluralistic world, not a tactical stage in a continuing conflict that they must ultimately win. Finally, deprived of its ideological aura, these nomenklatura might have to evolve into a more normal political structure.

(2) Clearly differentiate in our expanding dialogue with the USSR between being tough and specific with the ruling oligarchy on the one hand, yet generous and exploratory with the Soviet people on the other. We often do it just the other way around. The Nixon-Brezhnev declaration of general principles was broad and generous to the rulers (which they interpret as a carte blanche); whereas the educational exchanges have tended to be small and restricted (tending to provide free travel for the nomenklatura rather than reaching out more broadly to, say, the Chinese level of 15,000 where they might have real social impact).

(3) Create a unified structure within the United States government to analyze developments and execute policy on a comprehensive, running basis. I have in mind a centralized, high-level office with interdepartmental authority (such as the Australians have set up for dealing with Japan). It should perform two separate functions: that of chess player and of poker player. The chess player should be a professional scholar or civil servant who coordinates all the vast information now available on what the Soviet political machine is doing. The poker player should be an experienced, elected politician who knows American and allied politics and can appraise on a running basis how the Western world is likely to react both to Soviet actions and to Western responses. Such an office could provide a point of coordination with the Congress, the private sector, and our allies during a time of predictable divisiveness in the West and potential destabilization in the East.

Great historical conflicts are usually not resolved directly, but tend rather to be gradually bypassed by the need to confront new problems. The classic way for a national state to change its agenda is negative: finding a new external enemy. It has often been pointed out that an invasion from Mars would produce instant Soviet-American collaboration. The more difficult way to change an agenda is the positive way of finding a new vision. At a time when the Communist vision has been discredited, ours has not; but it needs to be broadened and de-parochialized to include more than the narrowly North Atlantic experience with parliaments and market capitalism. That new vision can, it seems to me, be solidly rooted in dynamic forces at work in the world today:

(1) a growing tendency to seek legitimacy and change in peaceful evolution towards democracy rather than violent revolution leading to dictatorship;

(2) the growing demand for participation and accountability in governments everywhere in a variety of ways; and

(3) the simultaneous spread -- a unique feature of American society -- of both a universal, secular enlightenment (exemplified by the near universal higher education we pursue in the country to our glory) and, at the same time, the continued affirmation of ethnic and religious identities as an important underpinning and enduring source of vitality in a healthy democracy.

So the global process of at least approximating democracy and realizing that its forms may be more myriad than we have anticipated from our own experience may ultimately prove the best long-term guarantee of peace -- and provide an alternative to Leninism as well as Stalinism in the USSR. Out of the large and generally depressing literature on how wars actually start in the modern work, there is one encouraging fact: democracies in history do not fight one another.

If we can bear with and not harm (perhaps in some cases help or marginally affect) the extraordinary process of ferment that is going on in the Soviet Union (its cultural as well as its economic and administrative strivings), we may be able to build a new agenda. But unless we find both a new vision and some better coordination, we may find ourselves continuously on the defensive politically to a Leninist machine that may modernize its power without modifying its objectives.

Chairman NUNN. Thank you very much, Dr. Billington. I believe what we will do this morning is proceed with all of the opening statements, and then come back to the panel with questions. Dr. Hewett.

## STATEMENT OF DR. ED A. HEWETT, SENIOR FELLOW, BROOKINGS INSTITUTION

Dr. HEWETT. Thank you, Mr. Chairman. It is a pleasure to be here today. I am going to supplement the brief statement I submitted for the record by discussing three questions.

First of all, how has the concept of national security changed under Mikhail Gorbachev? Second, what does that imply for resources to the military or the division of resources between the military and civilian side of this economy? And what does it imply for the role of the defense industry in the economy?

And a third question is how these developments will affect economic reform in the Soviet Union and the progress for perestroika?

First of all, turning to the concept of national security under Gorbachev. It is, as we all know now, a much broader concept that it has been in the past. It is not just Mikhail Gorbachev's concept. Scholars who have been studying the Soviet Union and Soviet thinking on national security have been able to trace this much more sophisticated approach back into the 1970s and to the work of some of the academic institutes, including the Institute for the U.S.A. and Canada.

But, Mikhail Gorbachev is the first politician to embrace this new concept of national security, and more importantly, to implement it in Soviet foreign policy. Probably the most important characteristic of the broader concept is Gorbachev's clear conviction that the performance of the economy, itself, is part of the definition of, or one of the determinants of, Soviet national security.

He has understood and, indeed, has talked about since 1984, the fact that the poor performance of the economy has now come to threaten the very position of the party in this society, and the ability of this party to govern the society. And it threatens the position of the U.S.S.R. in the world as a whole.

In late 1984, before he became First Secretary, he gave a speech, now often quoted, in which he pointed out quite bluntly if the U.S.S.R. was to enter the 21st century as a great and prospering power, the system would have to be transformed.

It was the first public statement, to my knowledge, of what has become a remarkable attempt to bring a peaceful revolution to the Soviet political and economic system.

Moreover, Gorbachev clearly believes that the Soviet Union will be better served and its national security will be better served, if it not only recognizes the interdependence in the world system, but sustains it through its own actions; that is, dealing with the rest of the world on the basis of negotiation and not confrontation. As a result, we are beginning to see an opening to the world economy that we never could have even conceived of under previous General Secretaries.

And finally, Gorbachev has defined in a way no previous General Secretary has, the notion that economic reform, itself—increased decentralization and economic decision-making and political pluralism—are part of Soviet national security, one of the necessary ingredients for sustaining and, indeed, enhancing the ability of the Soviet state to survive and thrive.

This new concept of national security has profound implications for the role of the military, the uniformed military, and also the defense industries in Soviet society. And we have already begun to see those implications work themselves out in ways that have not at all reached their conclusion yet.

One of the earliest indications was the use of the defense industries as a role model for the rest of the economy, and as a source of personnel for managing the rest of the economy. This is something that Gorbachev was already doing in 1985 and 1986, and continues to this day.

To give you just a few examples: The 11 civilian ministries who supervise machine building for most of the period since the 1930s, when they were formed, have operated in an uncoordinated way, fighting with each other, while the mine ministries that supervised defense machine building had been tightly coordinated by the Military/Industrial Commission.

Under Gorbachev, a new machine building "biuro", as it is called, was created on the civilian side to do, in essence, what the Military/Industrial Commission did. As its director he chose Ivan Silaev, who has spent most of his life in defense industries, most recently, serving as minister of the aviation industry. Gosplan (the state planning agency), still the most powerful organization in the Soviet economy is now run by Yuri Masliukov, who previously ran the Military/Industrial Commission.

These are two of many examples one could point to in which the defense sector has become a source of people and a source of organizational techniques that they are trying to apply to the civilian economy.

Far more striking, and potentially more important, is the fact that the military is now becoming a source of resources for the civilian economy; that is, the Soviet Government and the Soviet party has begun to tax the military for resources to directly assist in their effort to improve the supply of civilian goods and services, and particularly, consumer goods.

This is happening two ways. First of all, defense plants, which have always produced some of the best consumer goods in the

Soviet Union: most of the motorcycles, all the cameras, all the VCRs.

Now they are being asked to produce more, but without more resources.

That is one way in which Gorbachev has asked defense to contribute to perestroika and to the civilian economy. In addition to that, we now see that there are direct cuts intended in defense expenditures as part of the unilateral reductions in conventional forces. In the Soviet Union it is now quite striking that everyone is talking about the issue of how to convert defense plants to civilian plants. Of course the fact that everyone is talking about it does not mean much is being done, and indeed, all we have seen so far is what you might call showcase conversions of products. But, nevertheless, it is a real issue now, and I am convinced there is something behind it.

The effort to borrow from the defense industry, to take people, and to borrow techniques, of course, could be construed—I think, rightfully so—as part of the conservative thrust of perestroika that has always been there. That is, the notion is that there is no need to drastically reform the economy, rather, all that is necessary is to run it like we run the military side of the house.

But the most important tendency is this effort to get more out of defense with less resources. The Soviet defense industries produce world-class weapons, but at very high cost.

Now Gorbachev is putting pressure on the defense industry to operate more efficiently. As of January 1 of this year, all defense plants are operating under the new law and enterprises, which makes it more difficult for them to operate profitably, and it also makes it more important for them.

Chairman NUNN. Dr. Hewett, what is your index for efficiency in defense production? Have you looked at any particular country for that index and that beginning point? How do you define it?

Dr. HEWETT. I am mostly relying on U.S. Government analysts who have done the best they can to get a handle on the inputs going into defense, and the output of those defense industries. And it is very clear from what we know, and a lot of it is anecdotal, but from what we know, there is a tremendous amount of waste in defense industries.

Under Gorbachev, thanks to glasnost, there is also much more open discussion of the defense industries, and now Soviets are saying what our intelligence analysts have been saying for some time, namely that defense wastes resources. That is a natural result of their very high priority, and the lack of public scrutiny in their operations.

I mentioned these nine defense ministeries that produced machinery and equipment for defense. There are no public data on those ministries, while there are on the other ministries. There are no decent public data on the Soviet defense expenditures. In general, they have operated under secrecy and with a very high priority. And, of course, those are ingredients for waste and they have accommodated those ingredients and responded to them.

Chairman NUNN. When you look at the figures that have been put out for years and years by the U.S. Government and by others the NATO defense expenditures as a group—not just United

States—the Warsaw Pact expenditures as a group—including the Russians—one could according to all the data conclude that perhaps only 1 year in 30 years has NATO been outspent, collectively.

Now that does not address efficiency. When you look at the balance of forces in Europe, the overwhelming forces are in the Soviet favor, which has prompted the last three or four Supreme Allied Commanders to say that "In the event of conventional war, we have to use nuclear weapons at the very beginning, the first few days," because of their awesome, conventional capabilities.

Looking at these broadsweeping balances, if they are correct, somewhere they are getting output. I know they are spending a huge percent of their GNP for defense. Nevertheless, if you look at the total comparison, Warsaw Pact versus NATO, every year we have collectively outspent them for 30 years, and yet, because of the huge disparity in conventional forces we are the ones who will have to use nuclear weapons at the very beginning of any kind of conflict.

I see many things that do not quite fit here, when you look at the comparisons. Maybe we have been off in our comparisons for a long time.

Dr. Hewett. No, Senator, I do not want to say we have been off in the comparisons. I do not believe that. Indeed, I did not want to disparage the tremendous capacity of Soviet defense to produce goods.

But that tremendous capacity has come at an extraordinary cost to that society. The best technicians, the best materials, almost all the high technology end of the spectrum in the production of industry go into defense. The military weapons we face not only in terms of quantity, but in some cases in terms of quality, are a reflection of a society that is virtually militarized its entire economy.

And what has happened under Gorbachev is he has said two things. One of them is, "We could produce the weapons we produce more efficiently." Second, "We need to produce less weapons."

So we do not disagree at all.

Let me turn now to my last question, and that is, how the developments in defense might affect the reform, and the course of reform in the U.S.S.R.

There are many people who say, both in the Soviet Union and the West, that perestroika cannot succeed unless defense expenditures are cut, that it is necessary to free up resources, to demilitarize to a certain extent, the civilian economy, in order to make any progress in perestroika.

I have a somewhat more complicated view of it. It is certainly true that unless the Soviets reduce defense expenditures, that they are not going to progress very rapidly in the reform.

But on the other hand, I do not think this is the most important factor. I do not think it is the most important factor, because until the civilian economy is reformed—until it is operating much more efficiently than it is now—more resources to the civilian economy, whether from defense, or from loans from Europe, will simply be wasted.

Right now the civilian economy is a drain without a plug. And you can pour resources into it at any rate you want to and they will disappear. The most important pre-condition for a successful reform is not reducing defense expenditures, but a successful reform itself.

I will be glad in the questions and answers to elaborate on my view of what has happened in the reforms. I will just very briefly discuss that now, and then see if you want to pursue it more. There has been no significant improvement in performance under Gorbachev. If you think of it from the point of view of a common, of a member of the Soviet population, say a worker in Maghitogorsk ask him what perestroika has brought him. It has brought him, first of all, the possibility that he might lose his job. Even if he does not lose his job, his income might fall. Even if his income does not fall, prices might go up. And even if prices do not go up, there are no goods on the shelves.

So perestroika for him has been essentially a lot better reading in the newspaper, and a lot better television. But you cannot take these to the bank. Gorbachev understands that now. He has even said on some occasions recently that, "Mistakes were made,"—to use an American formulation—in the last 4 years. And he has made some mistakes.

He did not start with agriculture, which he should have, in order to do something about food supplies. He precipitously moved in the summer of 1985 in an anti-alcohol campaign, which may have had good foundations from a health point of view, but was a fiscal disaster, with waves that are still rippling through the society.

In addition, the reforms we have seen so far have been inconsistent, and in many cases, timid. While Gorbachev talked a good game in 1985 and 1986 about decentralization, he retained the ministries. And he expected them to continue to control enterprises, so that ministers in the Soviet Union were being put in a position of being told that they should not interfere in what enterprises do. But, on the other hand, being told that those were their enterprises. And the ministers responded, of course, by continuing to interfere in the work of enterprises.

Even some of the most interesting parts of the reform have been mismanaged. I am thinking of two in particular.

This new move for co-ops in the Soviet Union, which is privatization by another name, is a very interesting move; that is, you have got now, and as of the early part of this year, about three quarters of a million Soviets working in about 70,000 co-ops, actually functioning, producing a wide range of goods and services.

Not only restaurants, which all of us enjoy when we go to Moscow, but there are dating services. There is a poodle parlor out in the Baltic. Someone set up a co-op to give information on other co-ops.

It is sort of an embryonic capitalism. But, at the same time, co-ops now, if you took a vote, a popular vote with no constraints, would lose, flat out. They are very unpopular in the Soviet Union, because they have raised prices.

The question is, why did they raise prices? Well, you understand, when you realize that when they introduced co-ops they gave them no materials, no access to finance, no access to foreign exchange. And so they used the monopoly position they were given, and indeed, the people best able to go in—when you have no materials, no finance, and no foreign exchange—who can get into a co-op in the Soviet Union? The group that can do that best is what they call the Mafia, which is a lot like our Mafia, although maybe at a somewhat earlier stage.

And so some criminals have gotten into co-ops and given them a bad name. If they had prepared properly, given them materials, give them finance or resources, give them foreign exchange, things would have gone better.

That is only one example. The other one is the price reform itself; particulary, a change in retail prices, which has been horribly handled in the Soviet Union. It is almost as if, having scheduled a tooth extraction for Friday, and you call the person in on Monday and have him sit in the office all week, while you debate in front of him whether you are going to use pliers or a hammer, or maybe you will use novacaine, maybe not.

Soviet citizens have now come to think of price reform as something right next to nuclear war, in terms of the threat on their living standards. It should have been done quickly. I would have much rather that he changed prices in 1985, and let them drink a few more years, and then reform alcohol in the late 1980s. But you cannot redo that particular part of the history.

I think the future of the reform in the Soviet Union is still potentially a quite bright one; that is, I am rather optimistic about the 1990s. Not because of what has happened in the reform, itself, but because of the debate that is going on in the Soviet Union.

It is difficult to convey to you here in Washington in this room what it is like now to go to Moscow. But we have Soviets now debating in the press and on television, and among themselves, virtually how to restructure their whole society.

One of the most prominent Soviet economists, Leonid Abalkin, the head of the Institute of Economics, has started a debate about property, which is nothing less than a debate about how to privatize, but give it a very nice socialist gloss.

For example, in one of his articles, he was asking himself the question, "What is Socialist enterprise?" And he decided in the end, it is an enterprise that operates profitably. And those that are not profitable are not Socialist, which is a much better definition than they have had in the past.

There is now a debate about competition in the Soviet Union, which there was not a couple of years ago. And now Soviet economists will say to you, "We need competition; we need markets." Indeed, my problem now, when I go to the Soviet Union is I am talking to Milton Friedman on the other side of the table. And I am the one saying, "You really ought to keep some of your planning institutions, and not believe quite so much in markets."

So, it is an extraordinary environment as opposed to just 4 years ago. And that gives them the foundation for a more radical reform, should they decide to do it.

The other part of my optimism is I think Gorbachev, every time he has run up against a problem, he has become more radical, not less. The failures of last year, and what is going to be even a worse year, this year, I am sure, are going to convince him that he has to go further, not turn back. So that I expect in the next few years we are going to see a turn toward a truly radical, much more consistent, and much more interesting reform.

[The statement of Ed A. Hewett follows:]

# *Perestroika* and Soviet National Security

-by-

Ed A. Hewett*

## I. Mikhail Gorbachev's Concept of National Security

Mikhail Gorbachev is both a product of, and a catalyst for, an emerging broader view of Soviet national security in which the domestic economy receives more attention than in the past for reasons directly and indirectly linked to national security. He is a product of a process that dates to the early 1970s when the Soviet military began to encounter increasing difficulties in the development and serial production of new, higher technology, generations of weapons systems. Although we do not yet understand all of the interconnections, it is clear that economic backwardness was an important factor, in spite of the continued partition of the system into civilian and military sectors. Moreover the serious deterioration in Soviet economic performance in the second half of the 1970s seems to have had some spillover effect.

If these factors did play an important role, then the military must have emerged from the 1970s with a growing conviction that Soviet economic backwardness--no matter how successful past efforts had been to dilute its impact on military industries through partitioning of the economy--was now a growing threat to Soviet national security, and had to be more directly and forcefully addressed than in the past. For the Soviet military, *perestroika* is most appealing as a strategy to ease their task in meeting the threat from the West.

But Mikhail Gorbachev is also changing the definition of Soviet national security, giving far more emphasis than in the past to economic and political factors. He understands that a weak civilian economy threatens the very foundations of the party's control of Soviet society. The increasingly well-educated and worldly Soviet population cannot be expected to indefinitely accept with patience a situation in which Soviet industry can master the production of some of the world's most advanced and lethal weaponry capable of threatening the best the U.S. can produce, while, at the same time, it is incapable of producing even the most rudimentary range of consumer goods readily available in the stores of many nations.

The General Secretary also understands that in this interdependent world Soviet national security can be better served by negotiation than confrontation. Likewise he clearly believes that a Soviet economy truly integrated into the world economy will be a far more affluent, therefore stronger, economy. And, finally, he accepts the fact that the only feasible path to a stronger economy, and a stronger society, is through economic and political decentralization.

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*Senior Fellow, The Brookings Institution. Testimony prepared for hearings on "The Implications of Gorbachev's Reforms for U.S. and Allied Security," U. S. Senate, Committee on Armed Services, April 11, 1989.

## II. The Role of the Military in Perestroika

This new approach to national security implies a radical departure from the past in the role of the military in the economy. From the beginning Mikhail Gorbachev has made it clear that he intends to draw on the strengths of military industry in making the reform work. All the civilian machinebuilding ministries (numbering 11 when Gorbachev came in, now down to 8 through mergers) were placed under a machinebuilding biuro which was given the task of coordinating their work in much the same way, although with less power, that the Military-Industrial Commission coordinates the work of the nine military industrial ministries. The successful quality-control system applied in the military industries was substantially copied in the gospriemka (state acceptance) system introduced in the civilian side. Personnel from the military ministries were transfered to civilian positions (for example the current head of Gosplan, Yuri D. Masliukov, was previously head of the Military-Industrial Commission).

The military industries are being asked not only to provide expertise, but also to divert resources to civilian uses. Defense plants are coming under intense pressure to expand their production of consumer goods, without any sign that they are being given additional resources. The civilian machinebuilding ministry in charge of producing equipment for light, food, and consumer goods industries was disbanded a year ago, its enterprises distributed among the military industrial ministries. These ministries are expected to mobilize their own design institutes to design new machinery for these industries, and to run the plants far more efficiently than in the past. Again, the expectation seems to be they will accomplish this with no new resources.

This is in effect a 'tax-in-kind' on the defense industries where they are asked to do more with the same resources. In addition to that, it is increasingly clear that Soviet leaders are committed to an absolute reduction in defense expenditures to free up resources for civilian uses, which in some cases will mean converting defense plants to the production of goods intended only for non-defense uses. This is the intention of the announced unilateral reductions in Soviet conventional forces, and it is clearly one of the important motives behind Soviet efforts to negotiate with the West further reductions in strategic and conventional forces.

Obviously there is substantial potential for tension here between the military and the General Secretary. The military may share with Mikhail Gorbachev the belief that reforming the civilian economy serves Soviet national security interests. But their definition of national security is much narrower than his, and thus they will resist direct attacks on the relatively high priority of the defense industries solely for the purpose of producing more consumer goods. Their concern, with some foundation, will be that the reduced resources will make their job harder, but will do little for the civilian economy, which tends to waste whatever resources it is allocated.

Mikhail Gorbachev holds the upper hand here through the traditionally strong control of the party over the military, and he can have his way, as we are seeing. In addition there is at least a possibility here that the General Secretary can reduce the potential for tension with the military by driving a wedge between the uniformed military and the defense industries. From what we know of the Soviet defense industry, it produces high quality goods, but at very high cost. Thus there is considerable room for cost reductions which could be applied to the production of consumer goods, while at the same time maintaining a satisfactory quantity and quality of military hardware production. If Gorbachev can actually compel the military industries to work more efficiently, while meeting the minimal requirements of the uniformed military, then he may be able to reduce the defense burden, while at the same time avoiding a showdown with his generals.

## III. How Important are Military Cuts to the Success of Perestroika?

It is probably true that a reduction in Soviet defense expenditures is critical to the success of perestroika. The current high priority for defense, even after recent changes, still effectively starves civilian industry for high-technology, high-quality personnel, and modern capital equipment. Soviet defense will have to give way if perestroika is to move ahead at anything but a snail's pace.

But inadequate resources are not the most important explanation for the so-far disappointing progress in perestroika. The main problem is that the reforms themselves have been half-hearted, sometimes contradictory, and therefore ineffective. Soviet industry still operates in a highly protected environment, without competitors, with customers who are flush with rubles. Even if Soviet enterprises did have more resources, they would have precious little incentive to put them to good use. If their goods are low quality, if their after-sales service is poor, if their products employ old designs, it essentially doesn't matter. The enterprises will not go bankrupt; the workers will not lose their jobs.

In that economic environment, additional resources for the civilian industries--whether from defense or from foreign loans--will probably be wasted as existing resources are wasted. Thus the key is the reform itself, and only after that moves ahead will new resources from defense begin to have significant impact.

Chairman **NUNN**. Thank you very much, Dr. Hewett. Dr. Rosefielde. Am I pronouncing your name correctly?

Dr. **ROSEFIELDE**. Yes, you are.

Chairman **NUNN**. Would you please proceed with your statement.

## STATEMENT OF DR. STEVEN ROSEFIELDE, PROFESSOR OF ECONOMICS, UNIVERSITY OF NORTH CAROLINA

Dr. **ROSEFIELDE**. Mr. Chairman, it is an honor to be here. The last time I had an opportunity to speak before this group was in 1979, when I discussed the issue of Soviet defense expenditures.

In the intervening years I have had the opportunity to continue my work on Soviet defense spending. But, at the same time, do exhaustive work in Moscow with the Central Economics and Mathematics Institute, studying the issues of enterprise productivity and enterprise efficiency. This work has been carried out on both a theoretical level and an empirical level.

I was fortunate enough to have the opportunity to acquire microeconomic data on Soviet enterprises, in order to carry out the state of the arts assessments of how Soviet enterprises, actually perform. And perhaps we will come back to this point later, because you were interested in the issue of efficiency in the remarks that you addressed to Ed Hewett.

The work that I have done was begun, or initiated under the Science and Technology agreements, and more recently, has been supported by the National Science Foundation.

I mention these matters to establish that I have some basis for addressing the issues that I am going to discuss today. As I understand it, my mandate is to analyze the potential effects of perestroika on Soviet national security policy.

The title of the statement which I have written and presented to the committee is "Assured Deterrence and New Thinking, Economic Foundations of Soviet-American Security Policy in the 1990s."

With these preliminary remarks, let me define the problem as I see it.

Chairman, First Secretary, and now President Gorbachev, has undertaken a series of striking initiatives in the area of national security. He has announced that the United States, the Soviet Union, the West, all share common values. On the basis of these common values it is possible to achieve drastic reductions in conventional and nuclear forces.

He has taken the visionary position that by the year 2000, it may be possible for the United States and the Soviet Union to abolish all nuclear weapons.

Other things equal, these sorts of pronouncements, which have been made in the past by other Soviet leaders—at least statements of these sorts have been made in the past by other Soviet leaders, would be brushed aside, except for the fact that Gorbachev has attempted through a series of confidence-building initiatives, to validate by deeds his promises and declarations.

As you no doubt know, it has been alleged that there have been substantial, asymmetric reductions in INF forces. There is the issue of intrusive on-site inspections; the promised reduction of troops and tanks; the elimination of operational maneuver battle groups; the promise that after NATO and the Soviet Union achieve conventional parity in the years ahead, there will be further reductions to a level of 60 to 65 percent of those force deployments.

There have been statements about significant reductions in the level of Soviet weapons expenditures and total Soviet defense expenditures.

Just last week, as you know, Gorbachev announced that he would cease production, or cease operation of two uranium-producing plants, and to reduce the production of plutonium for nuclear weapons.

All of these kinds of evidence have had, I think, a profound impact on the thinking of some Western analysts. In the recent literature we find the suggestion that Gorbachev has now made a radical break with what is called Brezhnev's centrist dual track national security policy.

What does this mean? It means that under Brezhnev, Soviet national security policy had two aims. One element was the rapid modernization of its forces. I have talked to the committee about this before. Certainly, by 1960; actually going back to 1955, the Soviets initiated a very rapid arms buildup that has gone on for several decades. This constituted one element of what is called the Brezhnev dual track national security strategy.

The other element was a series of diplomatic and political initiatives aimed at improving the climate of relations with the West; in part for, perhaps good purposes, but in part, also, in order to weaken the relative strength of Western deterrent forces. What is frequently referred to as a change in the correlation of forces in the Soviet's favor.

And the problem that we face at the moment is to evaluate whether or not it is true that Gorbachev is making a radical break with this well-documented, well-established dual-track national security policy of the past.

Now, I would like to suggest today that despite the kinds of promises that Gorbachev has given us, the evidence does not yet support his declarations. There are many kinds of evidence I could introduce, and I do cover in the paper, but for purposes of brevity, let me concentrate on Soviet weapons production.

Now, in table 1 of my statement, for those of you who have it, you will see arrayed a series of statistics on cumulative acquisition of major weapons systems for both the United States and the Soviet Union between the years 1977 and 1986. These data come from the Defense Intelligence Agency and the DOD. They are standardized so that the comparisons are appropriate.

These data show that during this period, the Soviet Union outstripped American weapons production by very large margins. In the area of strategic weapons, I refer here to IBMs and SLBMs, the Soviets over the decade, produced four strategic, ballistic missiles for every one that we produced.

In the area of tanks, the Soviets produced 24,400 to 7,300 tanks.

Ed Hewett has referred earlier to the fact that the quality of Soviet weapons is considered high. I am sure you are completely familiar with the DIAs assessments of Soviet weapons that support his statement. The IISS, also concurs on these kinds of judgments.

The period 1977 to 1985 can be used to represent a pre-Gorbachev period. What has been the evidence in the subsequent years? I have listed in this table the latest data from the Allocation of Resources in the Soviet Union and China, just published for the year 1988, and they demonstrate that there has been no abatement, whatsoever, in the Soviet production of strategic ballistic missile weapons, and the cumulative advantages that the Soviets have in these weapons.

There has been no abatement in the production of Soviet tanks. Indeed, if you look at the figure for 1986 and compare it with 1988, you will find that there was a roughly one-third increase, with a 40-percent increase in the level of tank production.

Now, let me say that it is possible that the cuts which are being promised will be forthcoming in the years ahead.

I cannot say, categorically based on these data, that it will not come. But for the moment, it seems to me, that there is a substantial disparity between the declaratory policy and the evidence that we as prudent national security policymakers—in this case, I am advising here on the issue of national security policy, should take very seriously into account in considering the kinds of arms control, arms reduction agreements it is prudent to negotiate with the Soviets in the years ahead.

It has been argued, quite frequently, that these sorts of numbers are extremely interesting, but in the final analysis, the Soviet military production will be disciplined by the inadequacies of the Soviet economy. In effect, the failing economy will prevent the Soviet Union from attaining the kinds of modernization and force superiority that could be destabilizing to the national security environment.

Is this a reasonable supposition? There are three aspects to this issue.

First is, is there any reason to believe that the Soviets could not continue to produce 3,500 tanks a year, effectively replacing the 10,000 tanks that they claim they are going to cut in the next 3 years out of current production under the existing economic system?

One way to get at this question is to look at Soviet economic performance, not in terms of the impressionistic descriptive materials that one gets in the newspapers, but looking at the statistical record.

In table 2, Mr. Chairman, I provide you with two sets of data. One, official Soviet statistics on post-war growth, and the second, Central Intelligence Agency statistics.

Let us concentrate on the decade of the 1980s, the most recent experience. I would like to call to your attention the fact that the statistics listed under Official GNP numbers, represent the Soviet's latest figures based on the United Nations accounting conventions.

The Soviets have only recently started to publish statistics on gross national product, according to Western accounting conventions, and they are included in these numbers.

Now, you have heard the Soviet Union is collapsing, or perhaps that it may have already expired. Yet, the official statistics indicate a compound annual rate of growth of 4 percent per annum during the period 1980 to 1987.

Let me insert parenthetically that the long-run rate of growth for the United States from 1840 to the present is 3.3 percent per annum. You can use that as a benchmark if you like.

As we all know, Soviet statistics, whether in the new format or the old format, are open to serious question and doubt. It is worthwhile, therefore, to also consider the statistics compiled by the Central Intelligence Agency. They show a slower rate of growth over the same period of time—approximately 2 percent per annum.

If you like, you can use the rule of thumb that the CIA's estimate is half that of the official statistics.

Now, my purpose in reviewing these statistics for you is to suggest that while there have been allegations that the cost of Soviet empire as the RAND studies and the CIA studies sometimes put it, are overpowering the Soviets ability to maintain their military modernization.

These numbers suggest that the Soviet Union in the years ahead may very well, without perestroika, without any reform, to continue to grow at a slow rate, but still an acceptable rate, at a rate that would not destabilize the society.

Chairman NUNN. Have you got any measure within that about the allocation of Soviet GNP to consumer growth versus military growth.

Dr. **Rosefielde**. I will discuss that shortly.

Chairman **Nunn**. Is there any line or trend one way or another.

Dr. **Rosefielde**. Well, since you asked, let me just make it quite simple.

The Central Intelligence Agency statistics indicate that the growth of per capita consumption during this same period is roughly one-half a percent per annum. So that would be 1½ percent rate of growth in absolute terms, and then divided by the rate of growth of the population gives you a per capita rate of 0.5 percent per annum.

The Soviet statistics would be in the area of 1 to 2 percent per annum as their estimation of the rate of growth of per capita consumption.

Now, I mention all of this only to suggest that the pattern indicated by these statistics is not very different from the pattern that existed during the sixties and during the seventies, when we know for sure that the rate of growth of Soviet weapons, was very rapid.

The statistics in table 1 indicate that this progress is continuing—I would not debate what the rates are, but the Soviet's ability to maintain the production of high volumes of ballistic missiles, high volumes of tanks at roughly 4 to 1 the U.S. level, does not seem to be imperiled by the GNP performance figures indicated, both by the Central Intelligence Agency and, officially, by the Soviets themselves.

Now, let me proceed, because there are some other technical issues here that I would like to bring out.

You asked earlier about the productivity of the Soviet weapons sector. My calculations which are presented for you in table 3—they are only part of a more elaborate set of calculations that I have done on this subject, indicate that the productivity level and the efficiency of the Soviet military machine-building sector—that means the weapons sector is the highest in the Soviet economy.

It is not an accident, as you have correctly and astutely pointed out, that the Soviets have been able to procure and deploy very large amounts of advanced, high quality weapons, compared to the achievements of the West in the preceding decades.

It is not because they are a high cost and inefficient industry. It is precisely the opposite. They were able to make these tangible achievements that as defense analysts we can observe and document because their military machine-building sector is so efficient.

And, again the statistics are there. You can look and see how I have done these calculations.

Why has this been the case?

Well, Ed, in fact, has put his finger on part of the matter. The first element here is that the Soviet military machine-building sector has been a priority activity since the early thirties. It has received the best resources. It has received the best science resources, research and development resources, and advanced capital stock, so that the embodied productivity of the Soviet and military machine-building capital stock is well above that of the civilian sector.

This is why, in the Soviet Union, in military enterprises, where civilian products are also produced in the same physical area—the productivity of the output on the military lines is vastly higher than the productivity in the civilian lines. Even though refrigerators and dishwashers, and God knows what else, in the future may be built under military jurisdiction, and military supervision in military enterprises.

This does not mean that they will be any more productive and any more efficient than they were in the past, so long as the embodied technology in these production lines remains low.

I would like to point out further that there is a rational, guiding force in the military sector that does not exist in the civilan economy. And this occurs, not by accident, but by design in the system.

The Ministry of Defense in the Soviet Union has its own research institutes. It has objective standards set by the outside world for the kinds of products it needs to produce in order to contend with its potential rivals. And it has the power to assure that the weapons it desires to procure are produced according to its specifications.

In the civilian sector, as we know, consumers by law, have no input whatsoever into the design, production and distribution of the goods and services that are intended for them. As a consequence, it only stands to reason that not only the technical productivity and technical efficiency of the military and machine-building sector is higher than the civilian sector. But what economists call the economic efficiency of the military machine-building sector is higher.

The term "economic efficiency" implies here that the weapons which are being produced, are produced according to the requirements and demands of the Ministry of Defense.

In a civilian sector, there is no economic efficiency; even when enormous numbers of goods are produced. The quality of those goods and the characteristics of those goods are not responsive to the demands of the consumers. There is a basic dichotomy in the Soviet system.

Now, I would like to move on and restate this point in another way. In a recent article by Norbert Michaud of the Defense Intelligence Agency, he reviewed these kinds of questions and he came to the conclusion that the basic problem confronting the Soviet Union is not the transfer of resources from the military sector to the civilian sector.

The basic problem for the Soviet Union is how to construct a civilian sector that works. And that is not a matter of resource transfer. It is a matter of redesign of the system itself.

Now, what kinds of lessons can we draw from the analysis I have been developing here? If the productivity of the military machine-building sector, as I assert, is higher than the civilian machine-building sector, then any transfer of resources from the military sector into the civilian sector will necessarily reduce the level of output of the Soviet economy.

You can think about that. It is a complicated matter, but it is a very important one. What I am telling you is that if you do not change the Soviet system as it exists, and you do not change the opportunity cost structure of the Soviet system as it exists, in transferring resources from defense to the civilian economy, you will be taking resources from that component of the economy where they are most productive and most efficient, and transferring them to the sector of the economy where they are least efficient.

Chairman NUNN. May I ask you a question now. It sounds to me as if you and Dr. Hewett are basically saying the same thing, that unless the Soviets radically change their civilian sector, no matter where the resources come from—I think Dr. Hewett said, "From outside," the system is still not going to work.

Dr. ROSEFIELDE. Ed and I are in complete agreement on that, as I understood his remarks today.

Chairman NUNN. But let me ask this within the question that I asked a minute ago about the per capita consumption, you could have a less robust GNP, but still be shifting more to consumers, even as you became less efficient, could you not?

Dr. ROSEFIELDE. If nothing were done, if there were no transfer, I would predict as a best estimate that the standard of living in the Soviet Union would rise slowly over time.

If you divert resources from defense to the civilian sector there would be a fillip; there would be an added gain to that predicted improvement in the Soviet standard of living.

But the cost though would be a very substantial and precipitous decline in the level of production in the weapons sector, presenting Gorbachev with a difficult trade-off.

Chairman NUNN. From a political point of view, does it matter to Gorbachev and the Soviet Union internally, whether GNP goes up at 3 percent or whether it goes up at 1 percent, as long as the per capita consumption is going up and the people are getting more goods and services?

Dr. ROSEFIELDE. In my statement, Mr. Chairman, I made a major effort to avoid getting tied up or ensnarled in minor controversies over the exact numbers. Because I agree with you, I do not think it really matters.

From a policy perspective, the big issues are whether or not there is an increment of GNP that will, in part, placate the population, that is, an increment to consumption; and whether or not providing that increment, it is still possible to continue the high rate of weapons modernizations that we have seen in the past.

Because time is of the essence here, let me insert a point I would have made a bit later, and that is this. We have some evidence from the past as to how the Soviets responded in an environment similar to this when Nikita Khrushchev took power. He began what one might call a peace offensive. He spoke about peaceful coexistence. He spoke about atoms for peace. He spoke about disarmament.

And we can turn to the record and try to evaluate or try to ascertain from the record what Khrushchev did as opposed to what he said.

I have examined this record, perhaps not exhaustively, but in some detail. And I can tell you that according to one source I regard highly, from 1955 to 1960, Khrushchev cut troops and he cut readiness, he cut O&M. And I can tell you the rate, or at least what we estimate the rate to be: 2 percent per annum.

It is an interesting figure because it is just the kind of rate that Mr. Gorbachev is talking about at the moment with his 12-percent cut in defense spending spread out over several years.

Anyway, in the area of modernization, while he was in fact reducing O&M, troops and whatnot, the rate of growth of weapons was 25.6 percent per annum. Now we do not have to quibble about the number. Let us just say it was 10 percent. Let us say it was 5 percent. But the direction of the change was inverse of what was happening in readiness and troops.

And the rationale for it, I think, was sensible. He was going into a period of time in which he was trying to seek accommodation and benefit with the West. It did not make any sense to maintain an excessively high level of readiness. But he could prepare for future environments through modernization.

Now this is simply a prediction. I have no proof of it. But I suspect that Gorbachev is going to follow the same kind of course. I think that the numbers in table 1 on modernization indicate that he is following that course this time around. I suspect it will be with a twist, that is, he will emphasize what he calls the weapons with new physical principles.

I understand you have had testimony from Chris Donnelly. And Chris, in a recent article in "International Defense Review" discussing this potential phenomenon places his finger on an important point.

I also recently had an opportunity to discuss developments in Soviet military R&D with people in the Defense Intelligence Agency. I learned that the Soviets are placing substantial emphasis on their R&D effort; that there is no abatement in the military R&D effort.

You, of course, probably know this better than I.

Now if you will indulge me just a bit longer, I would like to say a few words about perestroika because, in my preamble I tried to establish that I had some bona fides in this area.

Ed and I are in complete agreement that without perestroika the Soviet civilian economy will not significantly advance. Our assessment of the prospects for the success of perestroika, however, are quite disparate.

For me, perestroika, if it is to be successful, implies either a radical modification of the existing Soviet economic control system, or a renunciation of the controlled economy entirely and the adoption of some kind of competitive market economic regime. That is, to my mind, the litmus test.

Let me break it apart for you. Under the current Soviet system we have a central planning agency, we have bureaucratic administrative directives, which control the way in which enterprises perform. But, beyond that, there is a substantial amount of decentralization.

Enterprise managers in the Soviet Union are instructed and do attempt to maximize enterprise profits at state fixed prices. The enterprise managers' bonuses are tied to this success criteria. Profit maximization is nothing new, it was first developed in the Soviet Union in 1927. Only more recently, however, it has become widespread.

What Gorbachev needs to do is go beyond this kind of control regime, which already has decentralization in it, and develop a control format in which the demands and preferences of state officials or the population have a profound impact on the structure of goods and services produced and procured.

At the moment, enterprise managers produce for profit, but the profit motive has no impact on compelling them to produce an assortment of goods and services that consumers want or other state agents desire, other than the Ministry of Defense.

Up to this point, Gorbachev's reforms have centered primarily on what I call creating a more efficient controlled economy, a goal-directed economy. He has made very bold pronouncements, but the result has been virtually nil, not because the ideas were not good, but because the ideas were not implemented.

He promised to have flexible prices, he promised to take some of the 27 million prices that the Soviets currently have in their nomenclature of goods and make them responsive to market demand. He has not done it. He has promised to make the enterprise independent of the annual 1-year plan, and he has not done it.

And I can go on and on and on. But to put it in a nutshell, perestroika has not succeeded because perestroika has been a declaratory policy, very much the way I fear his national security new thinking, his new national security policy is simply a declaratory policy.

Can Gorbachev proceed to real perestroika? I think he can within the context I have just described. In the work I have done at the Central Economics and Mathematics Institute for the last 10 years, we have concentrated on nothing else. Our basic concern was improving and designing the incentive systems that could make the Soviet economy responsive to selective decision-makers' demands.

Can Gorbachev go further, and Ed was talking about the deep ferment in the Soviet society, and simply reject the command economy? Sure they can. I mean, we know the market economy operates, so why do they not just glance at it in a systematic way and find out.

The reason they do not, I would like to suggest, is that in doing so there would be an enormous devolution of power and authority, de facto, away from the Communist Party of the Soviet Union to decentralized, uncontrolled market forces.

If you have consumer sovereignty, if the economy is responsive to consumer demand, then the state has to bid against the consumers to acquire the resources it needs for its defense activities.

So, Mr. Chairman, I think that while perestroika is a reasonable concept, which can be extended to an area of international trade, there are very profound forces deterring Gorbachev from enacting authentic perestroika. And his timidity is the best testament of that.

I will stop after one last remark. If, as many people have suggested, that Gorbachev's perestroika and Gorbachev's new thinking are motivated by Gorbachev's concerns about an economic pre-crisis, the possibility of a real crisis, the possibility of economic collapse in the Soviet Union, his marching orders should have been to boldly move ahead in the area of perestroika. Set glasnost aside. Glasnost is a diversion. Set democratization aside. That is a diversion.

There is only one basic task if your economy is in a potential state of crisis, and that is to reform it, make it secure. And then move ahead in these other areas if you so desire.

But Gorbachev not only has reversed the order in which he has addressed these issues, he has still, at this moment, failed to resolutely proceed with his own perestroika program.

Thank you.

[The statement of Dr. Rosefielde follows:]

**Steven Rosefielde**
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# Deterrence and "New Thinking": Economic Foundations of Soviet-American Security Policy in the Nineties

## Introduction

After decades of glacial change, Soviet national security policy is in a state of flux. Under the banner of "new thinking" (novoe myshlenie), Mikhail Gorbachev has declared that the Soviet Union and the West can enduringly coexist, that both sides share "common values," that it is possible to achieve equivalent military sufficiency at drastically lower levels of force, and that nuclear weapons can be abolished by the year 2000. Moreover he has promised to back his visionary words with deeds, accepting large asymmetric cuts in INF forces, allowing intrusive on-site inspections, reducing troop and tank deployments in the Western TVD, including five Operational Maneuver Groups, and proposing conventional parity in Europe at 60 to 65 percent of current NATO levels within six years.

Although the jury is still out on the implementation of these promises, and their consequences for Western national security, many scholars have come to surmise that Gorbachev may be leading the Soviet Union beyond Brezhnev's "centrist," dual-track national security policy (the balanced use of military and political instruments) toward a new strategy stressing diplomacy and commerce at the expense of military interests, and to infer that the West should respond in kind. Are they right? Is Gorbachev likely to subdue the military, drastically pare defense outlays and discard his military option? How should the national security community respond to this interpretation of Gorbachev's intent?

My statement addresses these questions from an economic perspective. Without challenging the premise that the Soviet political leadership can unilaterally reduce the scale of its military programs, it will be shown nonetheless that the economic benefits of such an initiative are apt to be slight, and that economic factors favor a shift in the composition of Soviet national security expenditures toward modernization (including the development of weapons using "new physical principles" designed for the future battlefield) rather than an abandonment of the dual track strategy, replicating the Khrushchevian pattern of the late fifties. More precisely, it will be shown that the duality of the Soviet economy, resulting from the unusually high productivity of the weapons sector permits the leadership to reduce conventional and nuclear deployments, transfer resources to civilian uses, while simultaneously modernizing its arsenal in ways that could make the world safe for conventional war. Although this course is not ordained, the ongoing pattern of Soviet arms procurements suggests that it would be premature to suppose that the Soviets have partially or wholely abandoned Brezhnev's dual track approach in favor of equivalent sufficiency, or minimum deterrence. Careful analysis moreover indicates that there is little to be gained by disregarding the Soviet arms buildup, and building down our own forces in the hope that the Soviets will follow suit, allowing us to strengthen security at reduced levels of effort. Extended deterrence today preserves rather than threatens peace. Western force reductions might accomplish this same objective at lower cost, but could also easily be destabilizing. As a consequence, while the potential opportunities contained in Gorbachev's various proposals should be seriously examined, euphoria should not sway our judgment, or be allowed to compromise our national security.

## Dual Track Strategy

The term dual track strategy in the present context refers to the balanced use of military and political instruments to attain Soviet national security goals. The concept encompasses a broad middle ground between militarism and pacificism; that is between onesided reliance on armed force, or diplomacy. The attributes of Brezhnev's variant of the dual track are broadly familiar. He sought to maximize national security by rapidly modernizing Soviet armed forces, while simultaneously attempting to degrade Western resolve and capabilities through arms control and disarmament initiatives that appeared superficially fair, but were disadvantageous to the West. These policies were supplemented by other methods. The Soviets encouraged wars of national liberation, supported communist and other friendly parties abroad, employed foreign proxies, distributed aid and employed diplomacy to its commercial advantage wherever possible. On balance the approach was flexible and effective. The Soviets sought to achieve their ends patiently; systematically modernizing their arsenal and entering into protracted negotiations until political factors compelled the other side to blink.

Gorbachev by contrast is a "mover and a shaker." Like his predecessors he has adopted a declaratory policy that advocates peaceful coexistence, non-aggression, nuclear disarmament and military parity, but instead of waiting for the West to make unilateral concessions, he has changed the style of the bargaining game by announcing a succession of bold, confidence building initiatives designed to reassure the West that it can safely reduce its conventional and nuclear forces. In doing so he has increased the weight placed on the political dimension of the dual track policy, but has not abandoned the dual track strategy itself. These initiatives that have captured the public's imagination. Asymmetric INF force reductions, unilateral curtailment of troop and tank deployments, on-site inspections, acknowledgment of prior deceptive practices, and promised cuts in defense spending have inclined many to suppose that Gorbachev's oratory is sincere, and constitutes a radical break with the dual track strategies of the past, even though the evidence on implementation remains thin.

This impression has been buttressed further by equally audacious changes in East-West commercial relations. Whereas Brezhnev was content to use Soviet national power as device for obtaining credit and selling natural gas to the West on favorable terms, Gorbachev has altered Soviet law to permit joint ventures with capitalist firms; sanctioned majority foreign ownership and has taken steps to drastically expand trade by making the ruble partially convertible.

Perhaps the public is right to be impressed. Perhaps, as he claims, Gorbachev believes that the military burden is too great to bear and that economic salvation lies in abandoning the dual track strategy in favor of a onesided reliance on diplomacy, cooperation and peaceful international commerce.

Close scrutiny of Soviet weapons procurement programs, the INF treaty, and the proposed agreements on START, conventional and chemical force reductions cast grave doubt on this supposition. It strongly indicates that Gorbachev has neither abandoned Brezhnev's arms modernization program, nor his efforts to obtain significant asymmetric military advantages through the "peace process," and raises serious questions about the stability of deterrence in the years ahead. Gorbachev clearly appears to be willing to pay a higher price to achieve his ends than his predecessors, but the final result is much the same: an effective dual track strategy predicated on rapid military modernization and asymmetric Western disarmament concessions that has the potential of negating extended deterrence.

## Preponderance of Force

The evidence regarding military modernization is straightforward. For more than two decades the Soviets have greatly outproduced the United States and the West in a wide variety of weapons systems, while maintaining a stable order of battle.[11] This has allowed them to build an enormous strategic reserve, and simultaneously deploy increasingly capable replacement systems. Table 1 taken from official DOD sources, documents the phenomenon for the decade 1977-88. It demonstrates that the Reagan's military buildup, and Soviet economic difficulties notwithstanding, the USSR managed to procure more weapons of every type than the US, with the sole exception of major surface naval combatants. Most of this accumulation occurred under Brezhnev, but the advent of Gorbachev changed little. The figures for 1986 and other recent DIA data through early 1989 confirm that perestroika, glasnost' and novoe myshlenie have had no visible impact on the established pattern. While Gorbachev's decision to unilaterally withdraw six divisions may seem to portend a less aggressive course, it has not yet visibly dampened the leadership's secret enthusiasm for rapid military modernization, nor provided us with an accounting of the vast supplies of weapons DIA statistics inform us have been procured but not actively deployed.

## The Economy

Many analysts recognize that the substantive changes in Soviet national security policy are less than meet the eye, but are inclined nonetheless to muse whether Brezhnev's dual track strategy is really in the regime's long term interest. On more than one occasion, Gorbachev and his spokesman have singled out

## Table 1

## Soviet and American Weapons Production 1977-88

| | 1977-86 Cumulative | | 1986 | | 1988 | Trend | |
|---|---|---|---|---|---|---|---|
| | U.S. | USSR | U.S. | USSR | USSR | US | USSR |
| **Strategic Weapons** | | | | | | | |
| ICBM | 95 | 1,720 | 11 | 120 | 150 | ↓ | ↓ |
| SLBM | 620 | 1,180 | 50 | 100 | 100 | - | ↓ |
| SSBN | 8 | 20 | 1 | 1 | (1) | ↑ | ↓ |
| Long Range Bombers | 29 | 375 | 26 | 50 | 45 | ↑ | ↑ |
| IRBMs and MRBMs | 200 | 1,000 | - | - | | | |
| **Ground Combat** | | | | | | | |
| Tanks | 7,300 | 24,400 | 750 | 2,600 | 3,500 | ↑ | ↑ |
| APCs and Fighting Vehicles | 9,200 | 49,200 | 1,420 | 3,500 | 4,550 | ↑ | - |
| Artillery, Guns, Mortars and MRLs (100 mm and over) | 3,000 | 26,300 | 560 | 2,100 | 2,800 | ↑ | ↑ |
| Anti-Aircraft Artillery | 70 | 800 | 0 | 100 | - | - | ↓ |
| **Ships** | | | | | | | |
| Major Surface Combatants | 95 | 80 | 5 | 8 | 9 | - | ↓ |
| Attack Submarines | 34 | 70 | 2 | 7 | (8) | ↑ | ↑ |
| Amphibious Ships | 6 | 17 | 1 | 2 | - | ↓ | - |
| **Aircraft** | | | | | | | |
| Tactical Combat Aircraft and Strategic Interceptors | 3,500 | 8,200 | 350 | 700 | 700 | - | ↓ |
| Military Helicopters | 1,800 | 4,700 | 260 | 450 | 400 | ↑ | ↓ |
| Surface to Air Missiles | 16,200 | 140,000 | - | - | - | - | - |

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Sources: Allocation of Resources in the Soviet Union and China-1986, JEC, 1988, pp. 163-166; Soviet Military Power, 1987, p. 121. Allocation of Resources in the Soviet Union and China-1987, JEC, 1989, p. 111.

Data: Statistics were provided to Senator William Proxmire, Chairman, Subcommittee on National Security Economics by Thomas P. Christie, Deputy Assistant Secretary of Defense for Plans and Resources, November 19, 1987. Figures for IRBMs, MRBMs and surface to air missiles are taken from SMP 87. Soviet procurement data for 1988 provided in Allocation 1987 are not always defined consistently with the statistics for 1977-86. Dashes are inserted where appropriate to indicate missing information. Also SSBN and attack submarines are not separated for 1988. I have therefore assumed that SSBN production was equal to the 1986 level, and attributed the remainder to attack submarines.

The tables from which these statistics were drawn do not specify whether they include exports and imports. The ratios in Table I-1 p. 162 and those on p. 161 suggest that the "production for" definition was used which includes imports and excludes exports. Analysis of the ratios provided indicates any distortion caused by the inclusion or exclusion of imports and exports in these tables is relatively minor.

Comment: The arrows represent the DIA's subjective evaluation of the ten year trend.

excessive military spending as a principal cause of the current Soviet economic malaise. Is it reasonable to suppose that Gorbachev can indefinitely postpone addressing the urgent needs of the Soviet economy in order to augment a preponderance of power that may never be usefully employed? Will the press of events force him to accept the logic of his own declaratory policy, when his dual track strategy is displaying increasing signs of success?

The answer to these rhetorical questions turn on Soviet growth prospects, the relative performance potential of the military subeconomy, and the impact defense expenditures have on the civilian sector. The first of these factors obviously will be decisive if aggregate performance is extreme in either direction. Brezhnev's dual track strategy in all likelihood will be sustainable if the general economy grows rapidly, and will be untenable if it is collapsing. Although, Soviet aggregate growth prospects are poorly defined, and intensely controversial the weight of the evidence indicates that the Soviet experience in the nineties will probably fall within the normal range. Using the experience of recent past as a guide, aggregate GNP is likely to increase between 1.0 and 4.5 percent per annum (Table 2). The precise rates are of little importance. If GNP does grow moderately, the viability of Brezhnev's dual track policy hinges on relative military economic performance potential and sectoral interdependencies. Generally speaking those who believe that rapid military modernization cannot be sustained hold the Ricardian view that resources employed in the defense sector are underproductive and therefore are a trammel on growth because of diminishing returns. They argue that high levels of defense spending imply high burdens of defense, and contend that if military expenditures were reduced, resources could not only be freed for better purposes, but would display higher productivity in civilian use. Military modernization they claim is the arbiter of aggregate performance. Increasing arms procurements necessarily reduces the level and rate of growth of GNP, decreasing it enhances consumer welfare.

The argument is plausible, but incomplete. The statistics in Table 3, column 1 reveal that the productivity structure of the Soviet economy is inconsistent with the Ricardian prediction. Instead of displaying the lowest productivity growth, the military machinebuilding sector actually exhibits the highest rate of technological progress in the economy. This means that if Gorbachev attempts to curtail military modernization, he will discover much to his dismay that aggregate growth will decline, rather than increase. Indeed, the absolute productivity differentials suggested by the statistics are so large, that GNP might actually fall absolutely.

## Table 2

## Postwar Soviet GNP Growth

| | 1955-60 | 1960-65 | 1965-70 | 1970-75 | 1975-80 | 1980-85 | 1985-87 |
|---|---|---|---|---|---|---|---|
| Official | 6.3 | 5.4 | 6.3 | 4.5 | 3.6 | (4.1) | (3.9) |
| CIA | 5.9 | 5.0 | 5.2 | 3.7 | 2.7 | 2.2 | 1.7 |

Sources: Steven Rosefielde, Tempting Fate: Economic Foundations of Soviet National Security Strategy, unpublished manuscript, Tables 9.5, and 9.14. CIA and DIA, Gorbachev's Economic Program: Problems Emerge, DDB-1900-187-88, June 1988, Table B-4, p. 31. Narodnoe khoziaistvo SSSR, 1987, p. 15.

Data: Estimates 1955-80 are computed at 1970 ruble factor cost. Figures thereafter are valued at 1982 ruble factor cost. The 1982 prices generate lower rates of growth, reflecting the usual index number relativity effects.

Method: The official series is computed by adjusting the CIA's estimates in two ways. First the industrial output figure for 1970 is extrapolated to other years with official growth rates. Second the construction series is adjusted to grow at the official rate indicated by the gross output series up to 1980. The CIA rate is used thereafter.

The bracketed figures are obtained from the newly published official data compiled according to the United Nations' methodology. Judging by the estimates 1980-85 computed according to the method applied for the earlier period, the new figures are roughly 1 percentage point higher than the old ones.

## Table 3

## Technological Progress in Selected Soviet Industries 1974-82 (Solow-Ambramowitz Residuals)

| Sector | R (1) | dY/Y (2) | dK/K (3) | dL/L (4) |
|---|---|---|---|---|
| Electric Power | 2.72 | 4.63 | 5.94 | 1.20 |
| Fuels | -0.42 | 2.89 | 8.21 | 1.07 |
| Ferrous Metals | -0.12 | 1.93 | 6.35 | 0.24 |
| Chemicals | 2.23 | 6.00 | 8.77 | 1.41 |
| Machinery and Equipment | 3.83 | 7.86 | 9.00 | 1.69 |
| Military Machine Building | 4.88 | 9.54 | 10.73 | 2.02 |
| Construction Materials | -0.06 | 2.65 | 6.39 | 0.98 |
| Light Industry | 0.52 | 3.00 | 6.63 | 0.52 |
| Food | 0.16 | 2.42 | 5.71 | 0.64 |

Sources: Rosefielde, Annotated Compendium of Soviet Economic Statistics 1950-80; Narodnoe khoziaistvo, 1982, pp. 117, 127, and 131; Rosefielde, East-West Trade and Postwar Economic Growth, SRI, 1976, p. 59. Rosefielde, False Science: Underestimating the Soviet Arms Buildup, Second Edition, Appendix 8, note 34.

Method: $$R = \frac{dY}{Y} - \alpha \frac{dK}{K} - \beta \frac{dL}{L},$$

where $\alpha = .32$ and $\beta = .68$. The coefficients are factor shares derived from the 1966 Soviet input-output table, with capital services computed at a 12 percent annual rate of interest.

This finding at first glance appears incongruous, but further reflection shows that it is consistent with the dual character of the Soviet economic system. As is widely understood, resources including skilled personnel, investment, science and RDT&E are allocated on a priority basis to defense ina command economy. It is reasonable to suppose therefore that embodied technology and management in the weapons sector are superior, and are rapidly improving; inferences that are supported by Gorbachev's repeated calls for the military industrial sector to share its knowhow with the civilian economy.

The defense sector thus does not appear to be the principal cause of the Soviet economy's woes. The roots of its failure lie more deeply in the command system itself. Part of the problem may simply be perverse priorities. If the best resources were transferred to civilian activities, perhaps their productivity would rise. But there are scant ground here for optimism. Much of the productivity advantage of the military machinebuilding sector is built into the capital stock and is not readily transferable to civilian product lines. Moreover the Ministry of Defense knows its own mind. The weapons it procures serve its ends. Consumer demand by contrast has no impact on product supply in the Soviet economic system and provides no impetus to efficient resource use. It is therefore extremely likely that if Gorbachev chooses to abandon Brezhnev's dual track policy, he will accomplish little. Instead of ruling a nation with an inferior standard of living, and superior national security, he will marginally improve the quality of life at the expense of the Soviet Union's status as a great power.

## Perestroika

Small, or even moderate improvements in Soviet growth prospects brought about by Gorbachev's program for radical economic reconstruction (perestroika) are unlikely to alter this picture. As previously argued, so long as Soviet economic performance remains broadly within the bounds of recent experience, marginal economic changes should not significantly affect national security policy.

Perestroika however could affect opportunity costs; that is, the relative productivity of the military and civilian sectors and hence hasten or retard military modernization. It is premature to draw any conclusive judgments, but several key reforms bear watching. First, the government could introduce competitive market incentives in the consumer sector allowing enterprise managers not only to maximize profits, but to set their own product prices and determine their own investments in accordance with the forces of supply and demand. This reform would raise civilian productivity and increase the benefits of transferring resources from military to civilian use. Second, Gorbachev could extend this initiative by making the ruble partially convertible, opening the domestic economy to foreign civilian commercial stimuli that would bolster the attractiveness of his non-military option. The Soviets have publically endorsed this goal and announced in late December 1988 that they were initiating trial foreign exchange auctions that could bring it to fruition.

Alternatively, reforms of these sorts could be structured in the opposite way so that their primary beneficial impact would be on defense. Much therefore depends on Gorbachev's real priorities. Although the Soviet economic system, and the prevailing structure of opportunity costs continue to facilitate the Brezhnevian dual track strategy, perestroika could reverse this incentive if Gorbachev is prepared to embrace market socialism. At times he has shown signs of doing so, but has not been consistently resolute. Until he does, however it is difficult to see how he can forego the benefits of rapid arms modernization without the prospect of an adequate quid pro quo.

## Force Structure

The likelihood that inertia will triumph over audacity is increased by the availability of a less risky alternative. Gorbachev can simultaneously modernize his armed forces, and divert resources from defense to the civilian economy by reducing readiness, and cutting troop deployments. While the productivity of the military machinebuilding sector is superior, excess deployments are clearly a deadweight burden on the economy. The diversion of a half million conscripts from the military to industry should increase real output; enhancing investment, and consumption, and providing additional material inputs to the weapons sector. Curtailment of foreign deployments (Afghanistan), unnecessary naval tending (in the Soviet Pacific), and other elements of readiness should have the same positive effect. As a consequence, Gorbachev can exploit the opportunities created by the prevailing pattern of domestic factor productivity to pursue the Brezhnevian dual track national security agenda, while partially placating disaffected civilian constituencies. This approach which parallels Khrushchev's actions after the 20th Party Congress in 1956, requires Gorbachev to sacrifice some options in the short run, but provides ample long term compensation. It permits him to exchange readiness for Western force concessions, to increase GNP and accelerate military modernization without adopting market socialism.

## Rush to Judgment

Although the productivity structure of the Soviet dual economy clearly facilitates this Khrushchevian gambit, many scholars who previously counciled against America's competitive strategy and for unilateral Western concessions have chosen to look the other way arguing on economic and military grounds that Gorbachev's declaratory policies provide a window of opportunity that must not be allowed to elude our grasp. They have contended that while Gorbachev's new thinking is sincere, it is nonetheless vulnerable to precisely the kind of economic failures that have emboldened him to consider substituting guns for butter. As a consequence, it is suggested that the West should assure the success of his program by quickly agreeing to Soviet nuclear and conventional arms proposals, and by providing material assistance in the form of tariff reductions, credit and aid.

This advice has considerable superficial appeal, but is flawed on all grounds. As already has been shown, the sincerity of Gorbachev's intent is impugned by the level and trend of Soviet arms production. His alleged motivation is similarly suspect. While he has sometimes spoken of an economic pre-crisis, and used this imagery to urge the rapid implementation of his programs, neither official, nor CIA estimates validate his claim. Both the GNP statistics reported in Table 2, and counterpart per capita consumption data reveal that the Soviet standard of living is rising, albeit at an unsatisfactory rate. This inference is corroborated further by his revealed priorities. Although, fears of a looming economic catastrophe purportedly are pressing him to cut military spending, glasnost' has consistently taken precedence over the implementation of perestroika. If economic causes were as potent as they are often alleged to be, these priorities surely would have been reversed.

It follows directly that to the extent a window of nebulous opportunity exists at all, there is no urgency to jump through it. In the fullness of time, deteriorating economic conditions might compel the Soviets to abandon the Brezhnevian dual track policy, and to take steps which might allow the Soviets escape what Gertrude Schroeder calls the "treadmill of reform." The day might even come when the Soviets substantially restore capitalism and institute multi-party democracy. But few serious specialists anticipate that this transformation will be completed anytime soon, or believe that it is wise to wager Western national security on perestroika's prospects for success.

## Tempting Fate

American national security for nearly three and a half decades has been predicated on deterrence and diplomacy. We too have followed a dual track policy, but unlike the Soviets long ago abandoned the effort to attain superior nuclear and conventional power to make the use, or the threat of use of conventional offensive military force viable. Our policy instead has focused in principle on maintaining a cost effective, sufficient deterrence capability based on a robust strategic triad, adequate NATO conventional counterforce, and diplomatic initiatives of diverse sorts aimed at fostering peace and commercial prosperity.

"New thinking" provides us with an opportunity to fruitfully employ this time proven bipartisan approach to sufficient deterrence in a novel environment. If Gorbachev's actions match his declaratory policies, we may be able to preserve sufficient deterrence at lower cost, improve the climate of East-West relations, spur peaceful Soviet democratic market socialism, and enhance our collective material well being. Alternatively, if Soviet declaratory policy is deceptive, or merely inoperative, patient application of the dual track principle will prevent Western security from being debased.

A lucid appreciation of the merits of our policy is especially important at this juncture because some scholars are counciling a strategy that could enable us to seize defeat from the jaws of victory. They advise a strategy of generous concessions and minimum-deterrence, often suggesting that American strategic nuclear forces be reduced to 1,000, 500 or even 200 weapons on the premise that Gorbachev is offering us a window of opportunity.

This advice should be rejected on military and economic grounds. On one hand, it compromises the triad, places excessive reliance on conventional forces and undermines stability without plausibly augmenting deterrence; on the other it is premised on spurious theories of Soviet economic performance, performance potential, and economic-political linkage. The record clearly shows that despite promising proposals to pare the threatening size and configuration of their forces, the Soviets are continuing to modernize and augment their capabilities. Under these circumstances while it is wise to explore Gorbachev's initiatives, it would be imprudent to tempt fate either by accepting the advice of those counciling haste, or to risk destabilization for the siren call of minimum deterrence.

## Conclusion

Mikhail Gorbachev has launched a carefully orchestrated campaign to persuade the West that he intends to abandon Brezhnev's dual track national security strategy in order to build a prosperous, democratic, communist society. To the extent that he is sincere, this is welcome news. National intelligence data on Soviet weapons production and uncertainties about the status of weapons that have been procured but not deployed cast serious doubt on his motives. Moreover, it has been demonstrated that the character of the Soviet economic system, and the prevailing structure of opportunity costs greatly impede a successful transition to a civilian oriented regime, even if Gorbachev desired to move in this direction. Theory teaches that these obstacles could be eliminated through well designed radical reforms, but the preponderance of the evidence suggests that the Soviets are reluctant to make the necessary changes. Moreover, Gorbachev has a viable alternative. Like Khrushchev before him, he can reduce readiness and cut troops in the short run taking advantage of prevailing opportunity costs to increase GNP, accelerate military modernization and obtain Western disarmament concessions without adopting market socialism. As a consequence, while Gorbachev could surprise skeptics by drastically paring arms procurements and implementing perestroika, it is more likely that he will adhere to Brezhnev's dual track strategy, with tactical modifications that diminish the immediate threat, but augment future Soviet military potential. The appropriate Western response in the face of these realities is the patient application of our own dual track strategy. We should cautiously explore all of Gorbachev's proposals and adjust our forces where appropriate, but should steadfastly resist calls for undue haste, and minimum deterrence which are apt to degrade stability with no measurable gain in Western security.

Chairman NUNN. Thank you very much. This is very interesting and stimulating dialogue here. I am not sure I have heard the differences between you and Dr. Hewett sharpened. What do you and Dr. Hewett see as the basic difference between your two views?

Dr. ROSEFIELDE. I have talked quite a bit now. I think I will let Ed have a chance.

Chairman NUNN. But you were beginning to do that just a minute ago. I did not quite get the difference. You said you had a fundamental disagreement.

Dr. ROSEFIELDE. I will take a quick shot at it and then give Ed a chance at rebuttal.

As I heard Ed articulate his position, he seemed to me to be optimistic about the 1990s for the prospects of perestroika's success. He spoke about currents of ferment in the economic and intellectual communities in Moscow.

And he mentioned Mr. Abalkin and said that there was a possibility that the Soviets might move away from the controlled economy toward new forms that really would enhance productivity, growth, and perhaps most important of all, even without growth and productivity, the responsiveness of supply, the responsiveness of production to consumer demand.

Chairman NUNN. Are you not saying the same thing, you just do not believe it is happening and he believes it may happen?

Dr. ROSEFIELDE. Our differences are only about our assessments of how Gorbachev will move ahead in the next few years.

Chairman NUNN. You both believe that fundamental changes have to be made in order for it to happen, right?

Dr. ROSEFIELDE. Yes. Absolutely.

Chairman NUNN. But you do not believe Gorbachev is going to make those changes and Dr. Hewett believes Gorbachev will make the changes, is that a fair summary?

Dr. ROSEFIELDE. I believe Gorbachev does not have to make any changes at all to have a society which provides a steadily improving standard of living and a high level of military modernization. That is, he is not under any obligation to make these changes.

If he does desire to make these changes and to improve the standard of living of the Soviet Union beyond the possibilities of the existing regime, he has many options at his disposal, all of which are feasible.

But I have tried to suggest that, in my view, for the reasons I have given, I do not expect him to seize these opportunities. Ed feels that they will.

Dr. HEWETT. Well, Senator Nunn, we finally did find a very real point of disagreement. I think he has to make the changes from a political point of view. The supply of consumer goods and services in the Soviet Union is, in many cases——

Chairman NUNN. Pull that mike up a little bit, if you would?

Dr. HEWETT. The supply of consumer goods and services is no better than in Third World countries. This is a much more sophisticated, better educated population, which is sick and tired of living in a country that can produce advanced weapons but cannot manage to get simple consumer goods on the shelves. They have to do something about it.

And I might say, by the way, just to flag a point where I also think we could have a lot of discussion. Soviet official statistics now, in the Soviet Union, have been almost entirely discredited.

It is a striking situation where, for example, Prime Minister Ryzhkov, was in a meeting on television discussing the results of economic performance in 1988 in which he turned to the head of the Central Statistical Office and he says, "Why do I have to read in all these dissident journals that the rate of inflation in the Soviet Union is 7 or 8 percent and you say it is 1 percent, and I believe them not you?"

It was a strange attack. The head of the Central Statistical Administration was shocked. And finally, his only defense was, "Well, the CIA says that the rate of inflation is actually only about 2 or 3 percent." And of course the CIA is one of the most highly revered bodies in the Soviet Union, maybe more so than here.

That is a sign of the problems they have. And I frankly do not think we know yet how much to trust Soviet official statistics for the 1980s. There is a growing body of evidence of significant hidden inflation in the numbers that Steve Rosefielde gave.

And even the CIA now is getting nervous. But—I think quite rightly—they are waiting for more information before they reassess their growth rate estimates.

Let me just make one final point about why Gorbachev is going slowly now, and what he wants to do. I do not think Gorbachev understood in 1985 precisely what he had to do. I think very few people did.

We are talking about creating an entire market economy. Economists know how to do that. How does one survive the trip when moving from a highly centralized, very inefficient system, to a much more decentralized and somewhat more efficient system?

In the last 4 years Gorbachev has forward a better idea of what he wants to do, now I think he has some very radical ideas in his head about decentralization. He would like to keep control over what is most important for the party, which is the overall performance of this system, and some basic decisions about how to allocate resources, giving the rest to regions—enterprises.

The reason he has moved slowly is, I think, in part he is learning, and in part he is frightened of chaos. The Soviets, including some very close to Ryzhkov and Gorbachev, will tell you when you sit down and talk to them that they are worried about losing control of the entire system.

If you move too quickly, if you misstep, if you do the wrong thing, either politically or economically, you lose control and the party's existence is threatened. And of course what has happened the last few years, and particularly last year and this year in the republics, has simply heightened their fears of chaos from the political reforms. But there is a similar fear on the economic side. And that is where some of the caution comes from.

My optimism for the 1990s stems from my calculation that if there is any man who has the courage to take the jump, which will have to be taken to make the commitment to a much different approach to economics and politics, I think it is Mikhail Gorbachev.

Chairman NUNN. Thank you.

Senator Gorton.

Senator GORTON. Dr. Billington, I want to say that I find your paper, both interesting and insightful, perhaps because I agree with so much of it. But I want to ask you a couple of questions.

The first one about your remarks on a renewal of Russian nationalism, and particularly the direction which you think it could take. You say on page 7, and I agree, that perhaps the greatest downside danger that we face is that something in the Soviet Union, and perhaps minority unrest, will cause a renewal of a militaristic, xenophobic Russian nationalism as a fall back, and maybe foreign adventures.

As you have described that Russian nationalism on the previous page, however, there is a heavy emphasis on quasi-religious revivals, cultural revivals, even an environmental movement.

What is your view of the fundamental nature of Russian, call it greater Russian nationalism? And is it consistent with a light rein and a degree of independence for minority nationalities within the Soviet Union? Or is that Russian nationalism so fundamentally imperialistic that it has got to show its dominance over other peoples, at least within the Soviet Union itself?

Dr. BILLINGTON. The first thing to say about Russian nationalism, and indeed, all nationalisms, because there are a variety within the Soviet Union, is that it is the most powerful, the most constantly recurring, the most perpetually underestimated force in the modern world.

Karl Marx wrote in the *Communist Manifesto*—probably one of the most prophetic and brilliant social and political analysis of the 19th century—published in January 1848, that national sentiment is disappearing every day as the proletariat feels more and more international solidarity.

Two weeks later, the biggest set of nationalistically-based, revolutionary uprisings in the 19th century broke out. Everyone is constantly underestimating nationalism. It was not foreseen in the present crisis. Most everyone, because we are so rightly focused on the economic problems assumes that economic grievance is going to lead to whatever unrest there is.

Well, economic grievance is an important factor, but the regions that we are seeing showing nationalist uprising in the Soviet Union today are not the most economically deprived; they are the most politically advanced in a way. And nationalism, national sentiment, this desire to have a place in the sun, have an identity that is respected, is one of those universal phenomenon in the modern world that social scientists have always discounted, but it always returns to haunt us.

That is point one.

Point two, the nationalisms within the Soviet Union have the net effect of increasing the insecurity and the concerns of the dominant nationality. The Russians are not like French and English, on the one hand. You do not see Frenchmen and Englishmen saying, what does it mean to be French or English? You do not see Chinese and Japanese saying this.

But for Russians, there is this question of being part of Europe, part of something beyond. There is the question of who are they, what is their destiny, having been on the exposed periphery of Europe, being both European and Asian.

There is a great inner concern about this. And now that they are seeing the identity that they were confidently given in the 20th century—and saw it confirmed by the victory in World War II, which they always call the Great Fatherland War, not World War II—as having been irreparably called into question by themselves; the question of finding out who and what they are is one of deep psychological importance to the dominant Russian nationality.

If you talk beyond the first half hour with Russian officials, which is not a very frequent phenomenon in American-Soviet dialogue, you will get them onto this. Generals, in particular, military people, have a deep sense of this, what it means to be Russian. After all, they have been serving this country and they cannot very easily be persuaded that it was all a great mistake.

Within what you might call Russian national self-consciousness and sentiment, there are two very different aspects.

Likhachev, for instance—not Ligachev the politician, but Likhachev the great Academician, who has just been elected one of these popular figures I mentioned, distinguishes patriotism from nationalism.

He considers himself a patriot and considers this return to all of these identities, the recovery of the Russian church, the recovery of the Russian village life and values, the maintenance of the family system, and the maintenance of that special relationship to nature which Russians always maintained. Russians live in these big, concrete apartment houses but they always try to have a little plot of land, if you notice, in the outskirts of cities to which they return.

Patriotism encompasses all those feelings, and that part of it is what I was talking about as the positive part. I think Gorbachev, realizing the strength of Russian national sentiment, is in some sense trying to develop or trying to encourage, or is at least recognizing and not insulting, as Khrushchev did, this positive, more constructive part of the Russian national rediscovery of itself.

After all, if you have a society which destroyed so many of its churches and so much of its heritage, that is a powerful element.

On the other hand, there is the negative side, the nationalist side. We have been very, very poor in distinguishing the two. It tends to be xenophobic, anti-cosmopolitan, anti-Semitic, anti-foreign, and that has been a classic tradition within the Russian imperial bureaucracy that has been much intensified by Stalin's rather brilliantly grotesque use of these phenomenon. He, himself, used nationalism as a fall-back position. In the 1930s he became more and more nationalist in that negative sense, so that he had pictures, not only of Marx and Lenin up in the Kremlin, but of Peter the Great and Ivan the Terrible.

And there was a sense that Stalinism was a mixture between this negative Russian nationalism and a kind of International Leninism, of a kind of codified sort.

That part of the nationalist thing is the part we have to fear. What I was obliquely suggesting is that the other part is one that I think is a rather affirmative development. We have, however, failed to make that distinction.

When Solzhenitsyn was invited to the White House—some White House staff apparently, invited him as a representative of Russian nationalism. He refused to go. He said I am not a nationalist, that is a 19th century, negative, secular ideology. I am a patriot, but not a nationalist.

Again, the same distinction. And I think it is a very important distinction for us to make. We do not have a great familiarity, historically, with Russians. Most of the immigrants who came to this country were not of the dominant Russian nationality, but of the persecuted subject nationalities.

We have not understood this country very well, even though we have never fought them. I do not think we have understood its very Russian nature. We tend to see them in terms of cheerleading the advance of Western institutions rather than rediscovery of their own deepest inner identity, which is what, if history tells us one thing, it is that everybody, every people, every culture, wants to have that recognized, they want to rediscover it themselves, and they want to have it recognized by others.

In sum, there are those positive and negative elements. Either one of them could prevail.

Senator GORTON. That does lead to my next question. Where you make your recommendations here, one of them is at least an implied criticism of concentrating so much on dealing with the ruling oligarchy, as you put it. The other is purely procedural. It is the creation of a central function in our Government to deal with this question, both from an academic perspective and a political perspective.

What I really would like you to say is, what do you think that our policy with respect to the Soviet Union, with respect to this ruling oligarchy, ought to be right now? When you speak of this Russian patriotism as against nationalism, is a good deal of that not—looking two ways, to Europe and to Asia—a feeling of some inferiority and that they have never really been accepted by what they may see as the civilized world?

Is there something to be gained, rather than to be lost, from the point of view of moving the Soviet Union in the direction that we want it. To treat, if I can put it for the want of a better term with somewhat more respect and somewhat more legitimacy, Mr. Gorbachev and those who are around him; some kind of oral acceptance of him as against specific economic changes in our policies?

Dr. BILLINGTON. Yes. I think the Rodney Dangerfield factor is very important. I mean, people do want a little respect and I think that the point is that the Soviet Union, as my colleagues here on the panel have very eloquently described, is recognizing its economic and administrative nonperformance and they are recognizing that they are going to have to rely largely on models and experience from other countries.

When you have a sort of insecure nationality, there is a compensatory need at the same time that you are recognizing this to say, nevertheless, that we have a lot of positive things to say about ourselves. So I think that there are two phenomena that have always gone on historically in Russia. At the times of greatest national assertion—the third Rome theory, whatever—you go back in any of these periods, they have always been periods of massive simultaneous borrowing from the West.

There is a kind of symbiotic love-hate relationship with their principal western adversary. The Eastern Slavs took their religion from Byzantium after fighting them for 100 years. They took their modern governmental institutions from the Swedes after fighting them for nearly 100 years. Their aristocracy took its language from the French at the time Napoleon was about to invade Russia. They took their systems of industrial organization from the Germans as they were getting ready to fight them in two world wars.

We are now—the United States—the principal model. They simultaneously, look at us as someone who we can both destroy them but at the same time someone that they can measure themselves by consequently there is a kind of love-hate relationship, and that makes us much more intimately involved in their future destiny than I think we would like to admit.

It is a mistake to think we can be the basic determinate forces of their development; but it is quite another mistake to think that, in this current age when they are simultaneously going back deep into their own reserves to find some sense of self-worth, they do not simultaneously want—without making a great public display of it—borrow a great deal of our institutional experience in more open markets, in developing a greater civil society and a whole lot of the kinds of movements and things which this extraordinarily creative and open society has produced.

I think it is a great mistake for us to just unilaterally to brag about that. We should not pretend that the only aspect of what is going on is their borrowing from the West, because that really does grate a raw nerve. It is in a sense unfair to them because they are simultaneously going back and rediscovering themselves and that is why I think one of the most important and creative parts of Gorbachev's program is his willingness to try to find a positive Russian national identity.

I think we misinterpret this very often, because our experts tend to see any return to Russian traditional themes as automatically a return to this anti-foreign, anti-Semitic, anti-modernist approach. There is that element in it and in all Romantic, ethnically-based reactions to modernity and change. There are also very constructive elements in the Russian national experience that we have not studied and do not know enough about.

We cannot affect those, but I think we should take more note of them than we do. It is, I think, rather sad from our national point of view that a great figure like Solzhenitsyn, who is the personification of this constructive approach, feels that he can barely say anything in public any more. He is hiding away on his farm in Vermont because every time he appears in public he is accused of being—as he was, when this misfired invitation to the White House was, issued—a nationalist, which he says he is not.

In fact, he has very interesting ideas on the environment, very close to those in the Soviet Union that are gaining very great strength today. He also believes that a proper recognition of Russian national identity involves recognition of the other nationalities, letting them in a sense go more in their own way.

I think the serious question about the whole nationality phenomenon is whether or not it is inherently and not merely superficially in conflict with the desire of the other nationalities to have a greater sense of their dignity. That is a very real tension and a very unresolved one even among the more positive side of the Russian national movement.

I think it is not fundamentally irreconcilable. It is amazing that they can talk about pluralism now, whereas pluralism 10 years ago was seen as one of the most profoundly negative forces—even by Solzhensitsyn. He did not particularly like the word pluralism.

They are learning and I think Soviet experience is moving and as my colleagues have pointed out, with the growth of education and the spread of it rather uniformly throughout the Soviet Union there is a greater and faster learning curve. The Russian people have been through a most awful experience, more than I think any of us can imagine, and they are continuously humiliated by the day-by-day life experience that lies behind these statistics that my colleagues have been reciting so eloquently about economic failure.

While we cannot prudently assume a favorable outcome, we should not be too patronizing about the depth and sincerity not only of the positive side of the national movement but about its potential compatibility with other such movements in the long run. We cannot bet on it, but we should not do anything to prevent its developing a greater compatibility with the more traditional forces of democratization, modernization and reform to which we have paid more attention and for which we feel a more naturally congenial relationship.

Senator GORTON. Thank you, Mr. Billington. Thank you, Mr. Chairman.

Chairman NUNN. Thank you. Senator Glenn.

Senator GLENN. Thank you, Mr. Chairman. We are talking a lot about internal mechanisms in the Soviet Union and how they may impact on us and our view of things. I guess, bottom line, what we are trying to deal with here is whether this is a wind change or is this a trade wind that we are into now. Is it really for real or is it something that is temporary, or something that will go on for some time.

Dr. Hewett said the very party existence may be threatened. Well, this is the Communist Party, the party of Marx and Lenin and however it is being adapted to what perestroika and glasnost objectives there are.

I guess a bottom-line question is, are perestroika and the objectives of worldwide communism and domination and the rising of the masses and all the things that we know about through past decades, are these just inimical differences? Has there been any restatement of long-term Soviet policy as to what they hope to do in influencing things around the world. I guess that is the bottom line to us, or to me anyway.

What should guide our actions is whether we really believe that this is a change in their overall long-term objectives, that is, is this really a permanent change in the way they hope to deal with us in the future? That is for anybody.

Dr. **Billington**. I suppose we all ought to take a crack at that one but I would say that there has not been a change in the fundamental overall objective. There has, however, been a very dramatic change in tactics.

Senator **Glenn**. Is the long-term objective still world domination and world influence to the extent that we had thought in the past?

Dr. **Billington**. They say it in slightly more muted and elegant terms but if you read the current party program—which is the official document of the Communist Party as it now exists and which I alluded to several times in my statement—the beginning and the end restate that the purpose, in effect, of this change is to restrengthen the socialist system which has this historic mandate in the world. The essential kind of Suslovian manifesto is still there, in somewhat muted terms.

What is interesting though is that the middle part, which is much the larger part of the party program, has none of this language at all. It is almost as if it were written by a committee. They talk about the internal development, not in ways that are as open and rational as we would like and as my colleagues here have been in effect suggesting, but it is totally free of traditional ideology and just talks about the needs and the development of the nation.

You could say that it is a kind of a schizophrenic document. Since the first and the last parts are the ones that deal with foreign policy, which is what we have to be concerned about, we have to have this concern. I asked Gorbachev at the June summit directly, I said—this is the question that I suggested here—is this a temporary tactic or a permanent condition of a pluralistic world and he would not answer the question directly.

I do not think they are ready or that they feel confident enough to bite that bullet yet. That is the situation that we are in. We are in a tactical change that is far more dramatic and is full of implications and possibilities. In casual conversation with Westerners they are willing to say almost anything these days.

Senator **Glenn**. You see it as a tactic, then more than a real change of doctrine?

Dr. **Billington**. So far. I mean, I am just describing the formal doctrine to which they subscribe but there has been so much that has changed. That too could change and it seems to me the very question you are asking is one that ought to be insistently and directly—as I indicated in my testimony—asked of them because it does make a difference whether they formally repudiate it in their internal documents as distinguished from saying well, it does not really matter which they say in their informal conversations with Westerners.

I think that is a very important point that you have raised, Senator and I would hope that we could continuously establish it in our dialogue with the top so that we do not allow it to be talked away. It makes a difference how the *nomenklatura* is organized, how their policy is organized.

Senator **Glenn**. It seems to me this should be the basis—and I want to get the other two commenting here, also, but we read in the paper this morning, Tuesday, here we have very respected international people, I am sure you read that this morning—I will not read all of this.

But they are talking about economic aid now to help the Soviets; they are talking about letting them in on the GATT discussions and IMF and all the other things that we have and Western credits being given now for things like that. We put investment money in as we have in the past and other places, I gather that at least things like this are being talked about.

It seems to me we have to consider some of these other very basic things, as to what kind of a sea change this is, if it is, and the nature of it and the likely longevity of this change before we get into considering some of these more detailed things of what we might do.

Investment guarantees from the West, doing joint ventures in the U.S.S.R. eligibility for Western financing for co-ops and small business, private farms. There are all sorts of things being discussed here, that I think at least in my own mind I have to answer some more basic questions before I would be willing to go along with some of these things.

I am very encouraged by what I see. I want to see, as some of you have mentioned this morning here, more actuality than rhetoric, I guess. We do not see some of the things that are being talked about. Our best intelligence reports show the production figures Dr. Rosefielde was talking about there. At the same time we are talking about reducing, we are talking about realigning things. We do not see the realignment taking place yet.

I am very hopeful every day that Gorbachev stays in office, I guess I become more hopeful, but these patterns could also be reversed very rapidly, too with a change in leadership there, which is not beyond the realm of possibility. I am not a pessimist. I am optimistic about what is going on but I am also very curious about what their long-term objective is going to be.

If it is going to be the old Communist line and the expansion of this, the masses will rise and so on, and that this is a temporary thing to let them get a better handle on things at home and then back to business as usual, as we have known it in the past, which is a possibility, that is a whole different ball game. Is perestroika and the old Communist line, are these just inimical differences? Dr. Hewett.

Dr. **Hewett**. Senator Glenn, I doubt if any of us really disagree that basically we have to watch what they do and not what they say. I do not know whether you want to call the changes in the last 4 years tactical or more fundamental.

I tend to think of them as being somewhat more fundamental than the word "tactical" would imply, both in the way Soviets think about themselves in the world and also in the way they are addressing issues such as military doctrine. Nevertheless, I fully agree that Western governments should not be drawn into this syndrome of helping Gorbachev because he is good for us.

In the first place, it is well to remember that Gorbachev from the beginning talked about his reforms strengthening the Soviet economy. I like to think of it as turning the Soviet Union into what a friend of mine calls a full-service superpower, not just a military superpower, but an economic and political force in the world. If he were to instantaneously achieve those goals that would not be good for us, indeed it would make it quite difficult for us.

What is good for us in the long run is the process of reform: democratization, pluralism in the economy, the things we are actually seeing. My own view is that he cannot achieve the goals he has set for the Soviet Union—that is, a modern, industrial society competitive with other industrial societies—without a profound change in the role of the party, the role of the government and the way that the system operates.

But I think our approach to that should be to look at deeds, not words. To say to him, pay attention to our own interest, and when—in our own interest given changes we see in our policy—we want to engage in new arms control negotiations or in other negotiations, we will do so. Indeed we will keep probing through our own initiatives and I suspect that if Gorbachev is really serious in what he says to do, that is the most help we can offer him.

Finally, we must realize that the reform process in the Soviet Union is primarily internally driven. Whether it is good for us or not is not really terribly relevant. The question is whether it is going to be good for them. So far, that is the judgment they have made and other than the West's example through, a politically vibrant, economically efficient set of western countries, there is not much we can do on the margin to tip the scales one way or the other in this great historical event.

Dr. **Rosefielde**. You were asking us about what we believe the Soviets' ultimate mission is and I think even under the best of circumstances it is very difficult to ascertain what their true views are, if in fact there is a real consensus view. It could be that within the elite of the party there are quite a variety of opinions about how national policy should be carried out and even if there were a consensus, motives are quite mutable and certainly we should not build our national security policy solely on our estimates, or guestimates, about their motives.

I like to use what I call the principle of revealed preference, borrowing from the economic specialization, to see how the deeds and declaratory match up and here, it seems to me that the Soviets have not gone far enough in curbing their weapons production, in implementing perestroika and to my taste in creating a multiparty democracy for us to assume that we are seeing a change in strategy as opposed to a change in tactics, which I believe was the essence of your question.

Now, to go back to my paper, instead of musing whether Soviets' ultimate objective is domination, conquest, or carrying out the Marxist legacy, I think it is more prudent to use the concept of a dual track national security policy.

Leaders who have operational responsibility for the economy and national security policy, no matter what their ideology may be, have to be quite flexible in their implementation of day-to-day activities and in this regard, I do not see any fundamental change in Gorbachev's national security policy, as distinct from Brezhnev's national security policy, except to the extent that Gorbachev is pushing the political and diplomatic card more strongly than Brezhnev had.

He has not changed the military modernization policy, but is prepared to be much more forthcoming with political concessions, at least declaratory political concessions. But the dual track policy remains intact, so if you want to evaluate whether there has been a change in the Soviet mission from the standpoint of the national security policy, I think what you have to say is there may be some signs of it but it is not significant. Finally you raised what I consider to be a very important question regarding how the United States should deal with the winds of change as we perceive them.

With regard to the weapons and the defense side of the question, I would advise you I think as General Scowcroft would advise you and Robert Gates would advise you, to proceed very, very cautiously.

One of my pet peeves, or pet concerns, is that the United States could slide into adopting a policy of minimum deterrence because it appears somehow to be politically expedient to proceed in that way. Some people have come to the University of North Carolina and urged the United States to reduce its strategic nuclear weapons to a total of 200. Well, you can fit those in one Trident and if you have your entire nuclear deterrent force in one boat that happens to be in dry dock at an inappropriate time, you no longer have a strategic deterrent.

That is an extreme example but I think the principle is a serious one. As we proceed in a process of disarmament that appears to be balanced and we reduce our force capabilities, should we discover that it was not balanced as we believed, that the other side has very significant superiorities—and I call to your attention Les Aspin's defense policy paper on START, published May 20, 1988, in this regard—there is a real problem, a real prospect that we can do two things; we can undermine deterrence and we can increase destabilization and I want to urge the committee to avoid these twins—at all costs.

Because in making cuts that increase instability, or destabilize deterrence, we are increasing the security we already have. We already have a bipartisan policy which has apparently worked very effectively over several decades in maintaining deterrence between the two superpowers, and as the saying goes if it is not broke do not mess with it and I am of that persuasion.

Then, with respect to economics I take a somewhat more flexible attitude here. I agree with Robert Gates that—and as I just heard it, Ed Hewett—that it is really inadvisable for the United States to take on the role of subsidizing the Soviet economy. I really do not see the point of it.

If the point is to bribe the Soviets into good behavior, I do not care for it on moral grounds. If the purpose is to somehow pay tribute to them because they could potentially be a disruptive force in the world I do not see any meritorious argument of that kind as well. Nonetheless, Gorbachev is far more constructive than any Soviet leader we have ever seen and I think we should respond to him in the same spirit.

There are ways we can do it without being foolish. If we simply cut the Jackson-Vanik agreement, announcing that our economy is open as a grand political gesture—that seems, quite frankly, to be fatuous to me, because it does not take into account that the Soviet economy is a closed economy.

We will not have reciprocal access to their markets as they will have to ours; a situation similar to Japan, where, on paper, we have free trade and free access, but they bar our products and they have open access here. Why would we go into an unequal relationship of that sort without a coherent political objective?

However, why not enter into negotiations with them about ways of opening up their economy, making tariff concessions on our side, so there is mutual benefit on both sides. We are behaving in a cooperative, positive manner, and that would be helpful.

I will suggest another area, which I think may be fruitful. It may seem somewhat astounding to you that I make the suggestion, but it is possible to make the Soviet ruble convertible. I have worked the problem out mathematically and theoretically, and believe practical problems notwithstanding East-West trade can be significantly expanded by assisting the Soviets in achieving and maintaining a convertible ruble.

I think we can prudently proceed in this direction in a cooperative, constructive manner, without undermining our national security.

And then, as a last pitch, we could increase cooperation at the scholarly level. You could provide more funds to the National Science Foundation, so that Ed Hewett and I can go over and study their economy.

Senator GLENN. My time has expired. Let me just say we are faced with one other thing I wish we had time to discuss this morning.

We are faced in our problems here with a changing public opinion, as there is in Europe too. I was over at the Wehrkunde Conference in January, and the change in public opinion, what the polls show in Europe, I do not know how we hold the alliance to the same standards we have had the alliance before. It may be in the process of having some great big cracks driven into it by the change of public opinion that is way out ahead of what I think we should be doing.

They want to believe—Europeans basically are convinced Gorby's for real, and boy we got to believe him, and this opens all sorts of possibilities.

Thank you, Mr. Chairman.

Chairman NUNN. Senator Exon.

Senator EXON. Thank you, Mr. Chairman.

I just have one brief statement, and then one question of each of you. Pretty much of a follow up, but trying to tie this down as to what you are telling us.

From what I can gain from your statement today, I think you are almost exactly in tune with what the majority of, if not the unanimous opinion of, the Armed Services Committee is. We are not taken in by Gorbamania.

But I believe the statement that Senator Glenn just made and the polls that I have seen in Europe are that the Europeans are taken in more by Gorbamania than the Americans. But we are beginning to feel the political movement of Gorbamania even now in the United States. We are not about, to take Gorbachev's reforms simply at face value. So your general recommendations to us, I think, are well founded.

Let me try to get this into proper perspective by telling you about something that happened 2 years ago. We had a visit from defense authorities from NATO. This was at the beginning of the INF consideration and we had a high official who had been Prime Minister of one of our most steadfast NATO allies, and Defense Minister of his country come to talk to us in private.

I asked him the question, "Do you believe that the Soviets initiatives with regard to INF are real, and how do you think the United States should best proceed?"

His answer was that, "I hope that you will take a careful and closer look at them. In my view, the Soviet Union has never needed the understanding of the United States as much as it does right now." And that was 2 years ago. I assume his feeling in that regard still prevails.

I think this is a question that we are trying to ask you, and you have answered it to a large extent in different ways.

What would happen, in your view, if tomorrow there was some kind of an overthrow of Mr. Gorbachev? What do you think, absent Gorbachev, the direction the Soviet Union would take?

Let us start with you, Dr. Billington.

Dr. BILLINGTON. If that were to happen, it would almost certainly be under conditions, or as a result of precipitants that pushed into a more conservative direction. I do not think it would or probably could be a very violent swing. That is why I, myself, am not inclined to focus as much on the personality, even though it is a fascinating one.

And I think, Senator, that one thing we have—that I tried to mention in my statement, and I would like to stress here, again, because I think it can solve a lot of these problems of popular sentiment to know, what we can do.

What do we need? When faced with a great deal of wish to believe, there is a good deal of reason for thinking it is worth probing and the question is, where do you make your probes? Where do you make your initiatives?

I think contact with the broad society, more contacts with the civil society, with different aspects of it. They are reaching out. That is where we need to be aggressive. That is where we need to channel this will to believe in Western Europe and in America into many more contacts with the Russian people.

There is a tremendous ignorance—you should not underestimate the extraordinary extent of the ignorance and isolation of otherwise educated people about how free societies function. There is a tremendous thirst to know. There is a certain willingness on the part of the officials to let segments of their society know.

I was in Kazan two summers ago; a city of two million people. A sort of St. Louis, and where the Kama (River) meets the Volga. You cannot cash a dollar traveler's check in the city of Kazan, even in the Central Bank. I mean, there are whole areas of this country, which are extraordinarily ignorant.

We do not have a great deal of contact, and I think that, therefore, if we can hold fairly tough, and be very specific on the matters of security—on the matters of high state policy—where the *nomenklatura* control is still very strong, and where the presumption has to be that it is all tactical.

At the same time we need to be bold, generous, exploratory, and dramatically extend contacts—the way we did with the Chinese with the broader society—and particularly with the segments that are trying to establish a degree of integrity and independence. Just as democracies do not fight each other, the process towards democratization is best advanced by the development of an independent, civil society—independent of the government.

And that is what is beginning to develop. That is why that needs to be encouraged, and we need to encourage our allied friends. But we need a coordinated policy, which does these things ourselves, and encourages others to do them, and to explore in that way—rather than try to make gratuitous gestures at the high state level, where you are really rewarding the *nomenklatura*, rather than the forces of change within the society.

And then our last point would be that we need to study much more technically how this political system functions. The actual inner operations of this political machine, as distinguished from its rather spectacular efforts to mobilize popular opinion domestically, have not been studied as closely, or followed, I think, as precisely as they need to be. We need to study them and know to what extent they are manipulating, rather than basically accommodating these popular forces, before we start making gratuitous gestures towards them.

We have to get our generosity and the popular enthusiasm that we have within the alliance and within our own country into constructive channels where they can encourage these forces, rather than simply be manipulated by the people who are still controlling the political system over there.

Senator EXON. Remember I said a representative of a NATO ally told us that he felt that the Soviet Union needed the United States more now than ever before? I thought that was rather significant. I wonder whether you agree with that, and then, go ahead and answer the question.

Dr. HEWETT. You know, many Soviets will indicate that they need our understanding. I still think, at the Government level, that the policy we should pursue is one in which we mainly keep track of our interest, and not Soviet interest, and stop worrying so much about whether we are going to help, or harm the man.

Senator EXON. You are all missing the point, in my view.

Dr. HEWETT. Try me again.

Senator EXON. What I am trying to get across to you is that I thought that this man, who is a hardliner, was trying to tell us that there, indeed, had been a change in the Soviet Union, primarily because of economic conditions at home, and that is why they needed our understanding, and therefore, he thought they were somewhat more sincere than they had been in the past.

I thought that you would understand my question. You did not. I had to clarify it.

Dr. HEWETT. I think I am with you now.

No, Senator, I think there has been a profound change in the Soviet Union. And because of that, simply sitting back and waiting for more change is not enough; that is, we need to be much bolder in our willingness to talk to the Soviets, to deal with them, and, essentially, to negotiate their entry into the world political and economic system as a full citizen, which is something they say they want to do.

It does not mean that we need to simply declare, "It is okay, they can come in." But, for example, in areas of interest to me, such as the General Agreement on Tariffs and Trade, where they have indicated an interest in joining as an observer, I have opposed our policy where we simply rejected it out of hand, saying "There is no way that an economy like the Soviet Union could be a member in this organization."

In fact, we already have centrally planned economies in the organization. Of course there is a way, and we should be talking to them. We should talk to them in other areas, where they are willing to sit down and talk.

On another matter, I was struck by, and in profound disagreement with, Professor Rosefielde's statement that there is no perceptible difference between Brezhnev's and Gorbachev's approach to national security issues. I am not a specialist on these matters. Gorbachev has made it a matter of policy to talk about sufficiency in defense forces, something Brezhnev did not do.

Gorbachev announced unilateral reductions in conventional forces, which Brezhnev never would have allowed to happen. Gorbachev is now allowing intrustive verification, which Brezhnev could not have contemplated. All suggests that that is a brand new ballgame.

The United States, has an image in the world of saying, "Still not enough, we have got to see more, we have got to see more." You begin to wonder how much we have to see? Are we waiting for them to get on an aircraft carrier and sign a surrender?

I have no major problem with what I understand to be the basic thrust of the Bush administration's policy, which in effect says "Let us not get into a mode of trying to help the man, let us not get into a mode of trying to hurt him." The problem is that in fact it boils down to no policy changes, which will severely affect our relations with Europe.

We should approach Europe on the one hand, by putting some of their so-called willingness to help Gorbachev in perspective. When Germans say they want to help Gorbachev, it generally means they want to lend him money, so that he will buy German machinery and equipment. We should point that out, noting that this is not necessarily helping Gorbachev.

On the other hand, we should be much more willing to engage the Soviets in a broad range of discussions. We should communicate that, while we are not going to cave in because we are trying to help perestroika, we nevertheless, are willing to listen, because we think there is something to listen to.

Dr. **Rosefielde**. Brezhnev and all Soviet leaders have always called themselves the forces of peace. And asserted in their declaratory statements they did not aspire to superiority; they did not aspire to destabilize the state of peace in the world. They said their forces were at parity with the United States.

As a consequence, Ed's remark just a moment ago, is in error. Of course Brezhnev could have spoken in the same terms of sufficiency as Gorbachev. He did. He just used a different word. He used parity instead of sufficiency. And, likewise, the Soviets were always willing to make declaratory proposals, which sounded unilateral, but were in their advantage.

And one of the issues on the table is whether the kinds of declaratory unilateral proposals that Soviets are making today are of that type, or do they constitute a new genuine departure from the past. So, in my view, the evidence is not in for the proposition that Gorbachev's dual-track strategy is radically different than Brezhnev's.

Now, turning to your question, I am a bit perplexed about what import you place on it. It seems to me if Gorbachev were somehow removed violently, or otherwise today, the issue of rolling back perestroika would be irrelevant, because perestroika has not essentially taken place, so there would be nothing to roll back.

We would not be rolling back a multi-party democracy, because there is no multi-party democracy. There have been some steps towards democracy, which we all applaud, and I assume that there would be no rush to roll them back.

Likewise, in the area of permitted dissent, people might want to roll it back. That is what we call glasnost, essentially. But there would be no need to rush, and Soviets could use their traditional approach of whittling away the rights of the citizens, which as far as the Constitution is concerned, are quite abundant. But, just whittle them away in practice.

That leaves novoe myshenie, new thinking. We are not in a position yet to know whether new thinking is really new thinking. We know there are new declaratory statements, new overtures. And I suppose that, again, if Gorbachev were removed, we would see a rather slow withdrawal from the current positions. No radical change. I do not see any, for example, precipitous return to Stalinism. No precipitous return to the kinds of gulag regimes that we have heard about in the past.

But, of course, you know, State Department figures put the number of people in gulag and penal institutions in the Soviet Union at between 3 and 4 million. There are still a rather large number of people incarcerated there. So basically, you would be looking at status quo.

Now, the other part of your question, as I understand it is, does the Soviet Union somehow feel that it is dependent on the United States' understanding and solicitude in either reforming itself, or somehow coping with its position in the modern world?

I suspect that there is something to this proposition. In a book I wrote, a long time ago, in 1978, I said that, "The Soviet Union had proved itself to be eminently productive in the military arena, but it was a failure as far as its civilian accomplishments. And in terms of long-term competition with the West, unless they were going to use their military forces, they were at an acute disadvantage."

I think Gorbachev has expressed these same kinds of concerns. I believe that they're genuine. Jerry Hough has taken this point of view. The argument is that unless the Soviets do find a way of modernizing their civilian economy and find it soon, they are going to be a backwater. They are going to be a Third World economy. That, I suspect, as I wrote in 1978, is probably true.

The only difficulty is, they have at this moment, no way out, unless they are going to go for perestroika. Our indulgence, our solicitude, our concern will not change anything. They, in 1917, adopted an economic system which, of course, became consolidated in 1929 with Stalin, that guarantees the malperformance, the underperformance of their civilian sector. And unless they go over to some kind of effective market regime, there is no way they can get around it.

Senator EXON. Thank you. Thank you, Mr. Chairman.

Chairman NUNN. Thank you. Senator Wirth.

Senator WIRTH. Thank you, Mr. Chairman. Thank you, gentlemen for a fascinating morning. If I might open with a statement then ask you a question that relates to that, and the statement and the question that relates to that comes back to our obligations here and the statement goes back to the old aphorism that says, if it ain't broke don't fix it, which I think you referred to, Dr. Rosefielde.

It seems to me that it is broke. If I look at the world, and the world, say as it was 5 years ago or 10 years ago, the Soviets are facing enormous economic problems which all of you have talked about and they have got an ecological crisis which Dr. Billington mentioned, which we hear more and more about.

The Soviet Empire is collapsing. If we look around the edges certainly that is a suggestion. There are some really significant problems and I do not know of very many places in the world that view the Soviet ideological model as one that they take seriously or want to follow and that suggests to me that if it is not broke altogether, there are a lot of broken mechanisms there.

If we look at our own back yard, our traditional way of looking at the Soviets and dealing with it is broke as well. We are not going to spend any more money. George Bush has effectively said that. The campaign said that.

The American public does not want to spend any more money on defense, that we are in the situation in which public opinion—and you all have talked about European public opinion and public opinion here does not view the Soviets at this juncture as 10 feet tall, coming across the German border next week and after all we are western industrial democracies and presumably ought to spend some attention focusing on public opinion.

We have very significant economic problems that we are trying to brush under the rug, but are very, very real indeed with a deficit that is at least $150 billion and probably $300 billion. We have an American public that wants burdens to be shared by the Europeans and particularly by the Japanese.

Our historic way of viewing this is broke as well and all of this within a context of a set of worldwide environmental issues that are pressing upon us in such a way that when he testified last week in front of the Foreign Affairs Committee, Mr. Kennedy very eloquently said, that is the enemy now and we ought to be changing our view. I want you to tell me if this view of the world that is broke and ought to be changing is valid, or is that overstated?

Second, what are the implications of that for us on this committee? We have got to go beyond the discussions and try to understand this is very important, but we are looking at a $300 billion defense budget. Should that go up or go down in a very constrained economic time?

Should we be building an MX missile or a Midgetman, or neither? What should we be doing in the area of arms control in Europe? What initiatives should we take? These are the issues that we face. What do we do in terms of modernization of Lance? Should we be withdrawing troops from Korea and Europe?

These are the questions, ultimately, we have to face in this authorization cycle that is coming up and so that is a long statement and a very complicated question, but you know if you were sitting where we are, what would you do? Dr. Billington.

Dr. **Billington**. I think it has been in bad and declining and stagnant shape for a long time. I do not think, however, it is completely broke. I think what is broken has been a kind of psychological sound barrier in the system so that the genie of criticism really is out of the bottle and when I say that it has been mostly *glasnost* and not much *perestroika* I do not think that is a casual statement.

What you are really seeing is not just the proof of what we have all known but have paid too little attention to—the internal failures in the system. They are not 10 feet tall. You are seeing the emergence and the rise of public opinion, of people who are well-educated deciding that they deserve and might even bear to work a little bit more energetically for some share in the self-determination of their own lives.

I think it is an enormous time of opportunity and I think that we have an obligation to define what that opportunity is and to challenge more. In other words, I think we should do some dramatic things. You are right. The old models are not working.

Public opinion is restive for some kind of creative response and as I mentioned the 15,000 level of exchanges rather than the 150 is important. I think some bold dramatic gestures by the United States could help the creative processes within the system.

I think if you look hard at Russian history there is a way in which they will always tighten their belt and get tough at enormous human cost, if it comes to their very essence and their very identity.

I think there is a real change here. It has not yet registered in terms of the *nomenklatura* leadership, I do not believe, but I think, we should test their negotiated positions. We should come up with some ideas of our own, but the real area of creative possibility from the outside is the one of encouraging more links with the creative forces of change which are evident and are testing the limits. They will test the limits of the possible. They have shown that. That has been the interesting phenomenon.

But we have got to give more support. They need more information, they need more contact, they need more self-confidence and they need bolder gestures on our part than we have yet been willing to give.

Senator **Wirth**. I do not see very much in the way of a bold gesture. I mean, we are talking about building MX or Midgetman. We are talking about not counting aircraft in the conventional arms discussions in Europe, which seems to me absolutely preposterous not to do that. The administration has said, well things really have not changed in their alleged review of American foreign policy that Mr. Gorbachev asked us about in London last week and the administration's response, drafted late last week, was well, things have not changed very much. I mean, I do not see very much creativity and I do not see very much direction as to what we ought to be doing, what steps we ought to be taking here on this committee. Dr. Hewett.

Dr. HEWETT. Well, Senator Wirth, first of all, what is striking about glasnost, which I think is actually one of the more critical elements of the reform, is the way that the Soviets are rethinking all of their past and their present. They have concluded that much is broken and needs to be fixed—the whole economy, much of the political system.

It is also an extremely important way to come to terms with what has been a complicated past and in part a past that Soviets are ashamed of. In that sense glasnost is a way of building support for a much different policy, for the changes we are all talking about. That is also true in the national security area.

But they are not going to throw everything out. I published a book last year on the Soviet economy, *Reforming the Soviet Economy: Equality vs. Efficiency.* I started my chapter on economic performance with the strengths of the Soviet economy. Some people asked me what I was going to do in the second page of the chapter.

But it was actually a rather long list of strengths. This is a system that has given a social security net to the population that they value, maybe too highly right now and they are having trouble changing. It is a system that has supported a formidable military build-up.

They are trying in the reform to preserve the strengths, at the same time addressing the weaknesses of the system.

I share your frustration that right now U.S. policy is extremely conservative, quiet, continuing to wait for signs. I do not know what new signs we need. I think the United States really is in danger of coming to be perceived as a true reactionary power in the world and to some extent, unjustifiably so. We could, if we were somewhat bolder, get out in front of some of these issues.

But the way to get out in front is to do it in a responsible sense. That is, not to get out in front by giving concessions to Gorbachev, but to get out in front in the dialogue and searching for ways, for example, in arms control, for mutually verifiable and balanced reductions.

Over the last several years it seems the United States is constantly responding to Soviet proposals. I am not an arms control specialist, but I do not see why that is necessary. I do not know why, for example, we cannot get out in front on some of the modernization issues and say, yes, we are willing to cut programs.

We need to cut programs. From the fiscal point of view we are willing to do it if we are convinced it is in the interest of our national security and let us sit down and talk about it.

So why we cannot get out ahead of some of those issues, it beats me. I do not know why and indeed, this review has dragged on a rather long time for what I think is a rather obvious conclusion.

Senator **Wirth**. It is interesting, this review. It suggests nobody had been around for the last 8 years. It is as if these guys were coming into town de novo and had not thought about anything. It is extraordinary.

Dr. **Hewett**. I am sympathetic with the review only in the following sense. If we do not build a consensus in the United States about what is happening in the Soviet Union and about what we should do about it then it is going to be very difficult to arrive at a policy. If that is what has been happening the last few months, fine. I am really not sure, alas, that that is really what has been happening.

Senator **Wirth**. Dr. Rosefielde.

Dr. **Rosefielde**. Well, my remarks about something not being broke referred to deterrence and not to the Soviet economy or the American economy. You phrased your question rather broadly.

As far as the Soviet economy goes, I do not think there is conclusive evidence of any sort that the system is broke. It is able to generate very large volumes of weapons. It is able to increase those volumes over time. We have gone over that. We have touched on that before. The same with respect to Soviet consumption. It appears as if the standard of living in the Soviet Union is slowly rising.

The Soviet economy also has some very nice macrostability characteristics. It does tend to provide full employment over very long periods of time. There is an element of job security that Ed was referring to, and so the Soviet Union has some positive characteristics.

If it is failing, it is with regard to, or with respect to the aspirations of the leadership. If the leadership wants to be able to maintain large-scale military programs and have a society of consumer abundance at the same time and if your aspirations are very high, you can take the view that the system is broke.

Now, I do not know if you were suggesting that the American economic system is broke or not, but I do not share that view if that is the position that you take. Of course, we have——

Senator **Wirth**. Well, I was saying we have some very significant problems that we did not have, say 8 or 10 years ago.

Dr. **Rosefielde**. I was just operating within the motif of not broke. Of course we all—this is really not the time to elaborate all of America's economic woes and propose solutions to them. Ed and I as economists have views on that subject, of course, but it is not appropriate to develop them here.

I think—and I certainly do not believe deterrence is broke. I think the force structures that we have at the moment are quite adequate, speaking about strategic systems. They are quite adequate to deter the Soviets from an intercontinental nuclear exchange. Well, anyway, that is my view on the matter. There are other issues with respect to extended deterrence and stability issues with respect to chemical forces and other kinds of weapons systems in Europe.

But basically, it seems to me that the system is—none of these systems are broke, but there is a potential for destabilization that comes about due to Gorbachev's new thinking. He is providing a challenge. His new thinking suggests in its declaratory policy that it is possible to create a peaceful, prosperous world order based upon expanded commerce and wide-scale strategic and conventional disarmament. That is the nature of his challenge.

If that is actually what he is going to do then the American foreign policy is really not in crisis. We go through a negotiating process. If it is all legitimate we scale down, we reduce some of our own economic problems, the Soviets reduce their economic problems and that is that.

Lurking in my mind, in your question, was the other side, that while Gorbachev is talking this way and Europe is accommodating itself to these kinds of overtures the Soviets continue to improve the quality of both their conventional forces and their military forces and then the question is, how can we pay for an increased deterrent capability that will offset their advances.

If you are asking me seriously about the MX, Midgetman, the proper force structure, I would first begin by pointing out that it is rather amazing that an economy which is alleged to be on the brink of collapse is able to deploy a sufficient number of SS–24's and SS–25's and the rest of the arsenal to create a challenge that the United States cannot meet, economically.

There is some breakdown here in the analytic process. I think the Soviets are now in a position if they choose to challenge us quite aggressively in the military area. I do not actually expect them to do so, but they could and if they did we would have quite an economic burden to bear.

Within the scenario I see, although maintaining a triad, a properly designed triad under a START regime will be very, very expensive, it is possible. Perhaps we could chat about this another time, about the details, but it is possible to get it done within some kind of sensible budgetary constraint.

But the cost of these weapons, as you know, are really quite daunting and we have to make very difficult decisions, about whether we really want to go forward with the B–2 and whether we are going to maintain the triad over the long run but have to compromise on some part of it in the short run in order to stay within our budgetary constraints.

So I think all across the board the problem is not that the system is broke. The problem is that despite Gorbachev's new thinking, we wind up being in a situation where we are confronted with very expensive and complicated defense decisions in order to maintain deterrence.

Dr. BILLINGTON. I think it is very important, Senator, that in a situation of as much fluidity as we are in both in terms of what is going on in the East and in terms of changes of opinion in the West, that this country—if it is really going to be a leader—set more of the agenda and not seem to be simply responding to an agenda which an obviously improvisational and somewhat embattled leader is setting on the other side. While it is not appropriate here to get into exactly what the proposal should be, there is a strong presumption in favor of making some rather bold proposals.

One of the things one finds if one deals with the Soviets in the current situation on smaller issues is that, if you make bold proposals, they will suddenly accept them. We are, for instance, doing a conference with the Lenin Library early next year and I said we would only do it if we discussed the special deposits and censorship, in effect, the role of the national library in the fortifying of the democratic process, and they have agreed to all of these conditions.

I think we should be making bold proposals that set every condition we want and be prepared to go through with them. We do seem to be kind of reluctantly responding to someone else's agenda, whereas the fundamental agenda, what is objectively happening in the world is a movement towards more open democratic processes, more market forces, more individual autonomy and integrity for both economic and moral and political reasons.

With these forces fundamentally working on our side, for us to be dithering and dathering and seeming to be so worried about it all is unbecoming. It contributes to the impression that the real political leadership has slowly evolved to the other side, even if one has grave doubts as to what is happening and how much one can deliver.

It seems to me that this is a time when—whatever the proposals—there is a strong need and presumption that we ought to be trying to begin to set a new agenda and not trying to determine how much of the other fellow's agenda is just the old agenda, or an insincere and tactical version of the new one.

Even if the latter is true, it provides the opportunity and many people, I think, both East and West, are counting on us to maintain, to be sure, a steadiness of political stability and deterrence and at the same time begin to set the new agenda that looks beyond this and really represents genuinely new thinking.

Senator **WIRTH**. Thank you, Mr. Chairman.

Chairman **NUNN**. Thank you, Senator Wirth. This has been a very educational and productive hearing this morning. Many of us are struggling with our thoughts on the changes in the Soviet Union; our ideas, the challenges posed by the proposed reductions, and dangers.

[Submitted for the hearing record, an article by James H. Billington, "Realism and Vision in American Foreign Policy," follows:]

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# FOREIGN AFFAIRS

## REALISM AND VISION IN AMERICAN FOREIGN POLICY

James H. Billington

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### *James H. Billington*

# REALISM AND VISION IN AMERICAN FOREIGN POLICY

Late in 1986, the average American was jarred out of his domestic preoccupations by the sudden spectacle of secret arms sales to Iran and high-level disarray over the conduct of American foreign policy. The unfolding story seemed—at least in its initial telling—as bizarre as the episodes of a bad television serial. Whatever investigators and judges ultimately conclude about illegalities and however national policies and individual reputations are finally affected, the American citizenry may come to see foreign policy as a soap opera which some invisible hand occasionally turns on to distract it from its real problems. All the world's a script—written by somebody else. It periodically provides us with foreign villains we love to hate and domestic characters we prefer to like—both heroes whom we idolize with sentimentality and courtiers whom we revile with impunity. We end up being not so much instructed about underlying issues as titillated by the messy minutiae of each passing episode.

But in our kind of democracy international affairs cannot be a spectator sport any more than policymaking can be the preserve of a small group of elites. Many must be involved; many more persuaded; and particular policies must be related to some general understanding of America's place in the world. Yet ever since the breakdown of consensus during the Vietnam War we have lacked a coherent view of how America should relate to a changing world. Forming such a view requires a hard look at ourselves as well as at others. We may be surprised to discover that many outside trends are vindicating our inner ideals, that we need vision as well as realism in our foreign policy, and that we relate better to others when we rediscover in ourselves the historical commitment of America to both enlightenment and religion.

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## II

It is paradoxical that America is becoming ever more deeply involved economically in the outside world and at the same time ever more psychologically detached from it. Our legislative process tends to produce short-term palliatives for local interests rather than long-term solutions in the national interest. Our executive branch seems perpetually divided within itself—and more effective at increasing military strength than at integrating it into any broader political strategy. The Reagan Administration has helped America recover a sense of self-confidence, a positive feeling for *who* we are, but there has been no comparable gain in understanding *where* we are. Our academic researchers and national media tend to criticize whatever the government says or does—yet produce little new thinking, let alone constructive alternatives. Universities in general have let serious international and language studies erode in their curricula while periodically indulging in extracurricular enthusiasms for symbolic remedies (e.g., nuclear-free zones, economic boycotts).

Faced with confusion in high places, many ordinary Americans seem understandably inclined to withdraw attention as much as possible from the outside world. The impulse is loose in the land to solve problems by cutting ourselves off from them: by restricting imports and immigration, by redirecting our security from the protection of others toward the defense of ourselves. Popular support for foreign involvements of *any* kind may be quietly fading away—and with it the postwar assumption that America should continue to be a world leader.

This neoisolationist impulse in the general population is unwittingly aided by the philosophic relativism that has come to dominate the elite universities and national media. The generation of the 1960s has now gained tenure and given respectability to the view that power is bad, superpowers are the worst, and one superpower is more or less as bad as the other. To be sure, democracies need healthy self-criticism; and relativism in some thinkers counters absolutism in others and keeps our national dialogue civil. But excessive self-flagellation by intellectuals removes their needed talents from serious policy discussion, baffles foreigners who still look to us for constructive ideas, and encourages the nation's adversaries to overestimate the prospects for dividing and manipulating America.

Far more dangerous than the withdrawal of some Americans from serious policy discussion, however, is the split that continues to exist among the large number in the mainstream who take seriously America's national interests and international problems. For the responsible foreign-policy community still looks at the world with a deeply split personality. The division is often unrecognized, and it occurs within individuals and groups as well as between them. Schizophrenia does not go away just because the patient does not recognize the condition. In the troubled world we live in, it is urgent to analyze the condition now lest it compound a crisis later.

—View A, which might be called *realist-conservative*, holds that America's involvement in the world is basically a negative response to the danger presented by the linkage of Russian imperial power to communist global ideology in the postwar world. The greatest need is for (1) military strength to contain that power and to aid those forces resisting its advance and (2) political skill and will to maintain and strengthen a network of supporting alliances. This view currently stresses the need for a continued military buildup with a strong component of high technology as an efficient means of increasing the West's advantage over the more backward East. Though there are apocalyptical fringe versions of this view (which see the East-West struggle as part of a final historical redemption justifying unilateral military preparations), the dominant version concedes that other problems exist. But it insists that we must continue to concentrate on the Soviet danger.

—View B, which might be called *idealist-liberal*, holds that America's involvement in the world is basically a positive phenomenon resulting from the dynamism of its economic and political system. The greatest need is (1) to renew and perfect the American example and (2) to encourage and support the spread of liberal democratic institutions throughout the world. This view assumes that the basic obstacles to be overcome in the world are not dangers from the U.S.S.R., but global problems of ignorance, poverty, pollution and so forth. In the shorter term, more emphasis is needed on economic and political development—especially in Third World countries emerging from traditional authoritarianism. Though there are also millennial fringe versions of this view (which see the Soviet danger largely as a figment of our own paranoia to be dispelled by penitential, unilateral pacificism), the dominant version concedes that there still is a military and political threat from the U.S.S.R. But this threat is seen as a secondary, receding problem that should not preoccupy us so much.

These contrasting points of view generally underlie and reflect basic differences in outlook over the last quarter of a century between Republican and Democratic administrations. Yet our political process has not brought either of these attitudes into clear focus, let alone into systematic debate with each other. American politicans seem compelled to claim a centrist position that incorporates elements of each outlook and thus muddies the issues. The most instinctively liberal of recent presidents, John Kennedy, felt a need to demonstrate a tough appreciation of the Soviet menace. The most instinctively conservative, Ronald Reagan, felt an equal need to articulate a liberal vision of global democratization and abolition of nuclear weapons. Lyndon Johnson, the only president of this era personally to master both the legislative and executive branches, was the last to practice a foreign policy simultaneously committed to the objectives of both views. And the failure of his presidency marked the beginning not just of America's retreat from the outside world, but also of internal doubts about whether we can any longer satisfy both our conservative and our liberal impulses.

Since Johnson, the dominant trend has been toward conservative retrenchment (first heralded in the Nixon Doctrine and the Mansfield Amendment). Greater consensus exists now on the need to sustain American strength and to defend economic self-interest, but hostility to the conservative-realist view remains strong within traditional opinion-making elite circles. Relatively insulated from broader popular trends, professors and commentators still prefer the old liberalism to the new conservatism. There is also a deeper, more apolitical substratum of concern about policies justified solely by material self-interest among many Americans who have developed human and humanitarian links with the world through various private initiatives.

Can we honestly diagnose and sensibly resolve this basic split, or will we leave it in confusion to be resolved by illusion? With presidential elections coming, one can imagine a Republican candidate reassuring conservatives in the primaries, then liberals in the general elections, while a Democratic candidate follows the opposite course. Although the electoral result would depend largely on domestic considerations, the next president would face even greater difficulty than recent ones have faced in defining, let alone executing, a unifying foreign policy.

Isolationists and relativists might welcome such a process as leading to an across-the-board retreat in our international involvements. But our security and economy are so extensively and irreversibly intertwined with the outside world that major retrenchments could produce serious domestic disorders. Moreover, the very prerequisites for our national existence may—for the first time in recent peacetime history—hinge on our conduct of foreign relations: physical survival (now with the U.S.S.R.), economic solvency (soon with Japan) and perhaps even territorial and linguistic integrity (eventually with Mexico).

The beginnings of coherence in foreign policy may lie in recognizing that the two sides of our inner conflict do not necessarily contradict or mutually exclude each other. View A derives from the necessity of our involvement in the postwar era and suggests the indefinite continuation of a proven short-term response. View B describes an ideal view of ourselves that we periodically invoke and fundamentally believe in over the long run. There is no real incompatibility between the short-run need for a cold war and the long-run goal of a freer, more abundant earth. But many continue to question the rationality of continuing the former, the sincerity of our rhetoric about the latter, and the possibility that American leadership can ever again soberly combine the two.

Is there—can there ever be—a sustainable, unifying foreign policy for a pluralistic people? One that can harmonize View A and View B, short-term necessities and long-term goals?

For a practical people immersed in ongoing involvements it is best to begin by reexamining our short-term necessities, the bedrock assumption of postwar American foreign policy that the U.S.S.R. poses a continuing danger that justifies American global involvements.

## III

The United States has never been at war with the Russian Empire and even today does not face a direct geopolitical threat of the classic kind (conquest or intimidation across a border) from the Soviet Union. Nor is the U.S.S.R. a serious economic competitor even for our allies. Nevertheless, the Soviet Union poses an altogether unprecedented and complex threat to the United States deriving from its unique capacity to destroy this country physically with nuclear missiles, reduce the United States politically to vassalage by establishing conventional dominance over Eurasia, and drain it economically by becoming an increasingly dominant political-military force in the Third World.

With such awesome raw capabilities, the classic question of intentions becomes crucial. Here the recent historical record is not encouraging. Nine new Leninist regimes have come into being in the Third World in recent years and aligned themselves with the U.S.S.R. and its satellites. Many of these regimes pose new threats to the oceanic lifelines of Western trade and security. Large-scale Soviet bloc presence in places like Managua, Cam Ranh Bay, the port of Aden and both coasts of Africa provides a reminder that we are confronted not just by traditional Great Russian imperialism, but by the executors of a global ideology. Even the continuing atrocity of a classical imperial move into Afghanistan is justified by the Soviet *nomenklatura*, or elite, as the necessary defense of a threatened revolution. By this reasoning, social processes are no less irreversible than Leninist regimes themselves; and the only limit on Soviet assistance is the capability of the Soviet economy to support military power, and of the Soviet political machine to convert that power into political advantage.

But is there relief in sight now in the Soviet Union as a new post-Stalin generation comes into power facing deep internal social and economic problems and speaking constantly about reform? Will Soviet leaders increasingly stress internal investment over outside adventures in the years ahead—if only to sustain the economic base of their own power?

Internal problems do not, alas, necessarily incline a great power toward external retrenchment. The short-term effect may well be to strengthen Soviet determination to prove greatness abroad precisely because it is no longer demonstrable at home. Beyond the Soviet Union's own foreign involvements lie unpredictable proxies and independent actors who could themselves fan regional conflicts into escalating confrontations between the superpowers.

Faced with so many unpleasant realities and future uncertainties, America should maintain its strength—and indeed its preoccupation with the U.S.S.R. Though Gorbachev's generation may not bear the guilt or perpetuate the paranoia of the Khrushchev-Brezhnev generation (which personally participated in, and benefited from, Stalin's genocidal policies of the 1930s), Stalinism will be a difficult legacy to shake. Gorbachev's very determination to launch reforms triggers fears within the system (which he no doubt shares himself) of launching a process that might unravel the Stalinist system of controls and privilege through which he and his colleagues rose.

Times of transition and tension within the Soviet Union generally widen the range of both opportunities and risks for the outside world. The important changes that seem likely to unfold within the U.S.S.R. in the months ahead will be defined by Russians for Russians—and are unlikely to produce approximations of Western models. Nevertheless, the United States does play a role—as the U.S.S.R.'s principal rival and standard of comparison. Our ability to affect Soviet internal evolution depends on our ability to make clear what we really want of the U.S.S.R.

Our long-term goal cannot be merely containing the external expansion of a system whose external behavior results so largely from its ideology. Responsible American leadership has the obligation to encourage any power with the capability to destroy us to develop stronger moral and structural restraints against doing so. Our simple goal should be to have the Soviet leaders renounce their expansionist ideology and concentrate on developing their own country. We should bluntly insist that they acknowledge peaceful coexistence to be the enduring condition of a pluralistic world—not a tactical stage in a continuing struggle.[1] We should neither call for a crusade nor suggest a blueprint for them. But we must stop suggesting that our basic antagonism is toward the Russian nation (which will not go away) rather than to their current communist commitments (which are already fading).

A parallel, priority goal of American policy is to prevent nuclear war. Since the greatest danger of nuclear war in the short term lies in the possession of nuclear weapons by a Soviet oligarchy unaccountable to its own people, we must make sure that Soviet leaders continue to believe in the reality of our deterrent power and will. But what is necessary may not be sufficient—and not just because of the number of weapons and the risk of accidents. The deeper danger is the growing tendency to permit weapons to become the measure of everything else in foreign policy, and the arms control process the main public measure of superpower behavior. This subtly favors the U.S.S.R., since weaponry is almost the only area in which they meet an open competitive standard—and it takes international attention away from other, more immediate dangers that the U.S.S.R. continues to pose through (1) sub-nuclear regional conflicts to which it and its proxies remain committed, and (2) its massive advantage in conventional military strength with which it continues to threaten Europe.

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[1] It would be a mistake to ask too little of the Soviet leaders just as it would to ask too much. In this case, the outside world would be asking only for something that most Soviet people clearly want and that even many communists seem to be groping for: a withdrawal from the global mission that was ritually reaffirmed at the beginning and end of Gorbachev's new Communist Party Program—to concentrate on the larger and more innovative middle part of the program, which is devoted entirely to internal economic and social improvement.

There will be differences and debate over who should amass what kind of strength in the West and where it should be deployed to contain Soviet power. But the West must realize that the U.S.S.R. remains our principal, common source of danger, and that this danger will not vanish simply by controlling or reducing strategic nuclear weapons. It is not enough to answer "better dead than red" with "better neither than either." The deeper point is that becoming red could in itself lead to becoming dead. No conflicts have been more bitter in the postwar era than those among communists (for example, the Cambodian holocaust); and this is the logical fruit of a system that produced under Stalin the largest internal genocide of any political oligarchy against itself in modern history.

There is, then, a continuing logic in the realist-conservative position. Its basic assumptions are that containing Soviet power militarily remains the major reason for U.S. involvement in the world, and that maintaining credible deterrent power and Western political unity are still the main tasks of U.S. foreign policy.

Two new emphases seem needed for the period ahead (particularly if the superpowers were to agree on substantial reductions in strategic nuclear arsenals): (1) the buildup of Western conventional military strength to deter the Soviet use of its conventional military advantage for conquest or intimidation in Eurasia; and (2) launching a bilateral dialogue with the U.S.S.R. to evolve "rules of the game" in areas of conflict in the Third World where special dangers of escalation are raised by proxy activities, arms shipments, terrorism and so on.

This is a familiar, modest program for maximizing strength and minimizing risk using traditional military and diplomatic means. Perhaps it is all that America can or should undertake in view of isolationist sentiment and looming economic problems at home.

But broader developments in the world suggest that even this updated version of conservative realism (View A) will not provide a sufficient basis for American foreign policy in the long term. We may have to draw again on our idealist-liberal legacy (View B), not because anyone has yet persuasively restated that ideal, but because a changing world compels us to work with dynamic forces rather than merely to conserve static balances.

What dynamic force can produce constructive internal change in the U.S.S.R.?

The realist-conservatives ultimately assume that only external force can induce such change; they point to the historical fact that defeat in war has provided the major catalyst for serious reform throughout modern Russian history. But no one seriously suggests major war in the nuclear era, and there is no reason to assume that the mere external accumulation of military force would have anything like the same internal effect. Such buildups tend rather to reinforce militaristic and xenophobic tendencies in the Soviet system.

To be sure, the need to counter Western weapons advances does put acute pressure on the Soviet leaders in a time of economic stagnation and technological lag. But they will always choose guns over butter, and those within the leadership seeking to perpetuate the Stalinist system of repressive rule can be unintentionally aided by outside bluster. They will use it to convince their subjects that now, as in the 1930s, there is an external danger great enough to justify mobilization and xenophobia.

There is also not much realistic hope that either internal democratization or imperial disintegration will come along to lessen the Soviet danger in the near future. Liberalization is not built into the general process of modernization, and democratic institutions have been particularly absent from Russian history. The much-discussed demographic rise of the non-Russian peoples to majority status in the U.S.S.R. has not brought any lessening of Great Russian dominance either in the party leadership or in control of the army and police that hold the empire together.

The only force that can rid the Soviet colossus of its global involvements is the rising generation in the U.S.S.R., with the substantial participation of ethnic Russians. The only battlefield on which foreigners can affect the process is that of ideas. Ideas are the historical currency of modern Russians and will be increasingly important for the new, better educated post-Stalin generation as it confronts the need for deferred reforms and new technologies. For any new ideas to take root in the U.S.S.R., they must not be perceived as transplants from foreign soil, but rather be rooted in universal values congruent with a wide range of possible Russian futures.

It is precisely here that View B becomes newly relevant—but also acutely in need of redefinition. The idealistic view that America's role in the world is a positive one with broader relevance could embolden us to speak to our opponent's deepest need. But can we speak in terms that are inviting rather than threatening? Can we articulate universal ideals for tomorrow that may help us move beyond the parochial preoccupations of today?

## IV

Any attempt to redefine the liberal democratic ideal for a broader audience must first face the relativist's skepticism that any single society today has much to say to any other. Can any norm drawn from the America of yesterday really be relevant to the emerging world of tomorrow?

The surprising answer, I believe, is yes. Four features of contemporary development suggest some unanticipated recent convergences between the ideals of Americans and the realities of a changing world.

The first current of our time that may make the American experience more relevant to the world is the replacement of revolution by *evolution* as the new pattern for social change and source of political legitimation. It has always been a cliché, and may now be an anachronism, to say that we live in an age of revolution. Despite some successes in extremely authoritarian societies like Cuba, Ethiopia and Nicaragua (and in scavenging the French transition from colonialism in Southeast Asia and the Portuguese one in southern Africa), the inventory of Leninist victories does not seem very impressive given the long postwar era with all its disruptive change and Soviet investment in subversion.

The real dynamism in social, economic and political development during recent years has lain in constructive evolution toward democracy rather than in destructive revolution leading to dictatorships. In Western Europe and Japan, southern Europe, South America and South Asia, particularly in the case of India, democratic evolution rather than totalistic revolution has increasingly been the means of bringing real change to stagnant societies. The most profound and perhaps prophetic challenge to a Soviet-type regime in Eastern Europe has come not from any revolutionary (or counterrevolutionary) elite driven by ideology, but from a spontaneous popular movement in Poland calling not for power, but for radical *evolutionary* change.

The revolutionary fire is still burning itself out on the peripheral killing fields of the Third World. But French (and other European) intellectuals, who originally lit and long tended the flame of revolution, have decisively turned away from their historical Marxism in one of the most dramatic intellectual developments of recent years. As historians everywhere inventory the horrors perpetuated in the name of authoritarian revolutionary ideologies, humanity seems increasingly inclined to look to evolution rather than revolution for fresh beginnings. In such a world, the meliorative American model with all its compromises and improvisations may have more to say than the absolutist models with all their public myths and private murders.

A second powerful force at work in the world that gives new relevance to the American experience is the rising importance of education and intellectual elites in world politics. The increase in the educated population of the world may be even more portentous than the global population explosion itself. The life of the mind has a vested interest in liberty, and liberal learning produces an inherent bias toward free societies. Our commitment to higher education is the largest, both relatively and absolutely, that the world has ever seen—and a magnet as well as an example for much of the world. Spreading the taste for the unlimited pursuit of truth powerfully challenges systems such as that of the U.S.S.R., which claims in the very name of its newspaper, *Pravda*, already to encapsulate truth in state policy. More fundamentally, the pursuit of truth tends to keep us from the pursuit of each other. It is ultimately noncompetitive, and in an age when rising populations face finite resources, it may be that only in the expanding pursuit of truth can the horizons remain truly infinite for our cherished ideal of freedom.

A third force that may give new relevance to the American experience is the return of the sacred. Far from becoming irrelevant with the spread of education and modernization, religion has in many parts of the world become a resurgent element in that change. The most unforeseen new developments of the last decade in the communist and Third Worlds (respectively, the rise of Solidarity in Poland and of Khomeini in Iran) were both political movements rooted in prophetic monotheisms. Much of the unanticipated, fresh dynamism of both conservative politics in North America and radical politics in Latin America has been linked with religion and religious leaders.

Our individual commitments to faith enable Americans to identify with an entire dimension of human experience that communists, committed as they still are to atheism, can relate to only in insincere and manipulative ways. The force of religion may prove a positive element within the nativist revivals currently noticeable in Eastern Europe—in East Germany, and perhaps even in the U.S.S.R. as it looks ahead to celebrating in 1988 the millennium of the eastern Slavs' conversion to Christianity.

A fourth area in which an American ideal is becoming a global necessity lies in our commitment to religious and ethnic plurality. The rise of new religious passions alongside old ideological ones creates an urgent need for the world to better accommodate variety in the crowded global conditions that lie ahead. One speaks of plurality or plural communities rather than pluralism because the American experience—for all its imperfections—celebrates a variety of authentic beliefs rather than a monistic secularism that finds all beliefs equally irrelevant.

The maintenance of a civil, civic unity among diverse communities is an aspect of American aspiration that may prove increasingly relevant to a world that seems to become ever more diverse culturally as it becomes more interrelated technologically. America has been a proving ground for bringing some measure of unity out of diversity—and could prove to be something of an experimental laboratory for the broader global community. Our principal new immigrants—Hispanic and East Asian—provide internal links with major external problems that will face us in the period ahead: our sociopolitical confrontation with Mexico and our economic-cultural confrontation with Japan. If confrontation with the former will pull us south into greater interaction with the Third World, our already intimate link with Japan will pull us increasingly east into contact with a number of cultures that are foreign to us—but which must be grasped in new ways since they represent the oldest and most populous civilizations on earth.

Our greatest long-term challenge may well be learning to live harmoniously with the great Asian cultures as they emerge into the modern world. Our special relationship with Japan and our growing links with China provide important opportunities to begin building bridges, not just with these Confucian-based societies of East Asia, but also with two other extra-European culture zones that we understand even less: the great Islamic belt of nations that stretches from the Indonesian archipelago through Central Asia to the Middle East and North Africa, and the Indian subcontinent of Hindu and Buddhist peoples in South and Southeast Asia. The long-term instruments for building understanding (deeper cultural and commercial relations) need to be developed intensively now if we are to avoid confrontations and deal more effectively with these cultures in the future.

But one can build bridges out to other cultures only if one has begun with casements deeply embedded in one's own native soil. We cannot relate to others if we do not know who we are ourselves. Unless the Western world acquires a clearer and more unified sense of its common ideals than it has had in recent years, we may not be able either to contain Soviet power in the near term or to deal with an emerging Chinese, Islamic or Indian colossus over the long term. The managers of Soviet foreign policy may continue so effectively to divide Europe against America and public opinion against governments that Soviet leaders may continue to legitimize their system by seeking gains abroad more than reforms at home. By the 21st century, Western liberal democracy may be eclipsed by new autocratic models from the East—whether under communist, Islamic fundamentalist or some other proto-totalitarian auspices.

## V

But what is this "West" that we must uphold and defend? It is not just a NATO alliance, a North Atlantic community, or even a trilateral club of North America, Western Europe and Japan. Nor is it an empire in any meaningful economic or political sense of the term. The term "free world" comes closer, but represents more the statement of a preferred condition than the description of a complex polity.

"The West" can best be described as an international commonwealth of the relatively free and accountable industrialized democracies. The key problem for this loose but dynamic community lies hidden within the word commonwealth. For the advanced democracies are precisely the places where one finds a lot of *wealth* but little in *common*. The unprecedented economic productivity of a global network of large and small market-oriented nations has created a web of economic interconnections that in effect constitutes a new international system. But this economic system has not yet produced any shared values, let alone common vision—and its workings are not clearly understood, let alone legitimized, by the democratic populaces who benefit from it. As a result, the economic strength and long-term advantages of free-market democracies over authoritarian rivals is not accompanied by moral force or political will. This lack of underlying will and purpose is a far more serious problem for the West than the oft-discussed travails of foreign-policy management in the United States or of coordination with allies. The first prerequisite of effective management is clear common purpose within the enterprise, and it is this lack of shared goals in the West that takes us back to the present danger from the East.

The classic image of the West, in Imperial Russia as in Soviet Russia, has been of a superior material force that is nonetheless morally weak and politically divisible—and thus ultimately unable to prevail against a more determined rival which combines a clear strategic objective with infinite tactical flexibility. The more educated Soviet leaders now moving into power are hothouse products of the *nomenklatura* who are inclined to assume that younger and brighter people can make old techniques work better by new sophistication in implementation rather than by real changes in policy.

Just because the Stalin-type campaign against American missile emplacements in Europe did not succeed a few years ago is no reason, in their view, for not mounting another campaign against the Strategic Defense Initiative and perhaps preparing a third for some kind of nuclear-free Europe. The vast Leninist mechanism for political manipulation needs periodic exercise. Its targets remain the same (to separate Europe from the United States and public opinion from governments), and there are promising new prospects for widening the penumbra of front activities (with church groups) and for exploiting the breakdown of bipartisan consensus on foreign policy within major Western countries: the U.K., Germany—perhaps even the United States. The basic Soviet target remains the same and just as subject to threats and inducements as ever: Germany, the key to Europe. The U.S.S.R. still controls a large piece of its property, and the U.S.S.R. always retains the dual options of proposing a deal or staging a power play. Soviet policy remains focused on a West German state that combines an increasingly addictive special attachment to East Germany with the general weaknesses of the advanced democracies: divisiveness and complacency tinged with its own isolationism and relativism.

Such weaknesses in Germany are more a product of the successful democratization—even Americanization—of the Federal Republic in the postwar era than of special German traditions. Even the anti-Americanism of recent years has a curiously American flavor. *Die Zeit*'s lofty disdain for recent American leaders has an Ivy League faculty club ring to it. The Greens' emotional war on technology and the military is reminiscent of student demonstrators from the 1960s.

## VI

Time and again, the problems of individual Western countries turn out to be common ones crying out for common solutions, and more often than not the solution must begin where the problem did: in America. The way that America does or does not deal with its key problems is therefore of central importance for the entire commonwealth of advanced democratic nations. In particular, two basic American problems today will sooner or later affect much of the rest of the world: deficits and decadence. These forces probably represent a greater long-term threat to the survival of free societies than the divisions within these societies.

Massive budgetary deficits in the United States represent a ticking time bomb for the entire world economy and are particularly unsettling for our closest friends and allies. Deficits have a moral as well as an economic dimension. They represent a society devoid of discipline, spending more than it earns, consuming more than it produces—living perhaps on borrowed time as well as borrowed money. President Eisenhower, the last leader to hold the line, feared in his later years that this proclivity within our society (and the massive governmental-technological bureaucracy that it spawned) might come to represent an internal threat to our type of society no less real than the external threat posed by the U.S.S.R. A society where wealth is made by producing lawsuits and buy-outs rather than the basic goods on which it depends is in danger of losing control over its own destiny.

The deeper question arises of whether America is in fact living off its capital spiritually as well as materially. Are we in fact the new version of the late Romans—a decadent people living off the sacrifices of previous generations, likely to decline from the sheer weight of our own flabbiness? Isolationism and relativism are to a large degree part of this late Roman syndrome. As the elite turns increasingly to lounging on the latifundia and the great urban complexes continue their slow process of decay, it has become almost respectable to be indifferent to one's neighbor and preoccupied with narrow, self-centered issues. Conservatives have made self-aggrandizement the necessary engine of social progress, and liberals have made the self-interest of special groups the main vehicle of social justice. There would not seem to be much help on the way as the "me generation" of students enters the "information age." In our passive, television-oriented consumer culture there is too much information to digest but never too much scandal. No one cares much about the public agenda anymore. Civil decencies and civic involvements are undermined by a visual medium that encourages spectatorism and destroys interest in issues (let alone participation in their resolution) while relying on sex, violence and sheer noise to arouse us from our self-indulgent stupor.

The root problem is that America has divorced freedom from responsibility, and our kind of society cannot survive without both. The success of freedom here and the spread of free institutions elsewhere has been the most constructive force in the postwar world. The erosion of individual responsibility within America and the West generally now threatens to be the most destructive force. The loss of shared values within probably threatens our international commonwealth of advanced democracies more than the growth of hostile forces without.

George Washington warned in his Farewell Address that our kind of system could survive only for a morally responsible people, and that morality historically depended on a strong religious faith. Durable societies are always rooted in shared values—which will in the long run be imposed from without if they are not sustained from within. But how can meaningful common values be defined for a pluralistic democracy like ours, let alone an even more pluralistic international commonwealth of democratic states? One can almost hear the relativists warning us that it is best not even to try; the isolationists reminding us that Washington also urged us to avoid all entangling alliances; and the conservative-realists ending up in charge once again with their minimalist approach of moving out from the cocoon only to combat clear dangers, never to advance broader ideals.

But we are doomed by our own destiny to take seriously something more than mere material self-interest or self-preservation. For it is our dynamism more than any other single force that has already imparted to so much of the postwar world its irreversible infection with a thirst for education, material opportunity and, yes, spiritual aspiration. So the real question is not can we avoid shared ideals but can we agree on any that are deep enough to affect our own people yet broad enough to move others?

Any attempt to redefine the liberal democratic ideal for today's pluralistic world must begin by sorting out the peculiarities of our development from the genuinely universal part of our ideals. We must move beyond earlier visions of a future world as essentially an extension of American institutions: whether political, as in the Wilsonian idea emerging from World War I, or economic, as in the American hegemony that emerged from World War II. A new statement of the ideal can draw strength, if it does not draw exact models, from the type of responsible government projected by Wilson and from the type of free economy projected by Reagan. But the ideal is less narrowly culture-bound when defined as freedom and accountability: (1) freedom and autonomy for individuals and small groups—materially, intellectually and spiritually, and (2) participation and choice for the governed in holding accountable all those exercising political and economic power.

Political accountability, economic opportunity and religious freedom are widely shared aspirations even in places where parliamentary democracy, market capitalism and the Judeo-Christian tradition may be unknown. The thirst for national self-determination and human freedom articulated in the American Revolution has proven more enduring in its appeal than the call for communal equality sounded in the Russian

Revolution. It is not just that equality has proven illusory and the Soviet model unattractive. The ideal of human freedom simply seems to be more inherently appealing. The key question may not be whether the ideal will spread to others, but whether or not freedom can be rooted once again in responsibility among its original proponents.

The American ideal—reduced to its essence—is compounded of two vital elements: enlightenment and religion. There is, and will always be, an inherent tension between the two. But both have been essential to American achievement in the past, and both may be needed for global survival in the future.

America was guided by a covenant even before it was governed by a constitution. If the intellectual vitality of the Enlightenment guided us in shaping institutions for self-government, the Christian convictions of the original settlers created the sense of responsibility that prevented liberty from sliding into license. The applied intellect of the Enlightenment, which we have developed so extensively in our system of higher education, is by nature critical and cannot invent new values as easily as it can destroy old ones. In American tradition the question of responsibility to whom has almost always been answered by responsibility to God: the ultimate source of justice and judgment. Unless that answer can be given more firmly by more people in the educated American opinion-making elite, there will continue to be a polarization that will make it impossible to define any common values. America will remain divided between those who are spiritually committed but not intellectually trained and those who are highly educated but deficient in moral and spiritual conviction. While some purely secular system of values might theoretically be devised for a smaller, more homogeneous society, religious values are in fact by far the controlling ones in the United States; and it is hard to envisage effective leadership in a democratically accountable society that does not build on, rather than snipe at, these values.

The Americans' God was mainly Christian, but is now generally described as Judeo-Christian—a healthy reminder of the deeply Old Testament base of the faith of the original Puritans as well as the special contribution to America of one of our most creative religious minorities. In general, America has added new faiths rather than destroyed old ones—and has insisted that freedom *of* religion not mean freedom *from* religion.

Those relativist intellectuals who fear real religion and reject a strong national defense put themselves in opposition, respectively, to the deep convictions and basic instincts of most Americans. In doing so, they unwittingly help undermine the very society that has permitted such unprecedented scope for the life of the critical intellect. By refusing to play a leading role in combating the advance of Soviet-type systems, which call for enlightenment without religion, they have left the field open to the growing number of extremists in our midst who call for religion without enlightenment.

### VII

Since the common Western problems of division and decadence more immediately endanger our exposed allies than ourselves, it might be advisable to have the leaders of the advanced democracies discuss values rather than economies at their next summit. The marketplace can deal better with economic than with value questions. Now might even be a time to sketch out some declarations of principles for the commonwealth of free democracies not unlike the Atlantic Charter and Four Freedoms of the wartime period. These should be developed jointly—and not be the product of unilateral American moralism. But Americans should not be afraid to discuss publicly and even to proclaim some moral ideals, for the deepest values of a people must, in a democratic society, provide the basic legitimacy for its behavior in the broader world.

The new generation in the U.S.S.R. could ultimately be the most important (if most immediately hidden) audience for a fresh display of a common higher purpose in the West. The Soviet leadership's determination to undertake extensive economic reform may lead to unintended consequences. To give their system new dynamism, the Soviet leaders will have to infuse it with either new fear through repressive chauvinism or new hope with scope for incentives. If the West can speak both firmly to the outer, older face of power and at the same time hopefully to the inner, younger voices of aspiration, we could help the process of change in the U.S.S.R. become change for the better. Any such change would probably draw more deeply on Russian tradition than on Western example, but that tradition includes Christian resources no less deep than those of Western Europe. And America plays a special role in the internal Russian drama as the only power that can destroy them and the only power by which they measure themselves.

What, then, if we were to provide them—and ourselves—with a different measure? What if we were to move from a reaffirmation of shared values in the West to the declaration of a large-scale shared project by the commonwealth of advanced democracies for the development of the Third World? Unless we believe in our ideals strongly enough to sacrifice some of our wealth to spread them, we would be better advised simply to retreat to the minimalism of View A—or further still into fortress America. But what if we were able to help define a common strategy for the advanced democracies to aid in developing the Third World in a way that maximized both freedom for their people and accountability in their governance? We would be establishing better links with new leaders in Latin America and Africa who have often moved beyond reflexive anti-Western rhetoric to begin building freer societies that combine traditional and Western values. And we would be inviting the new generation of Soviet leaders to move from the zero-sum game of our present bilateral competition to the positive-sum game of global democratic development. If they were not willing to join us in this enterprise in the twentieth century, they would face the risk of becoming irrelevant to the 21st.

Such a new strategy would be multilateral in origin and collaborative in implementation. It would initially emerge from discussion among the advanced democracies; small ones may have as much to suggest as larger ones, but much might also be learned from the creative recent experience of the American private sector as well as from earlier public initiatives like the Marshall Plan and the Fulbright program. Within the Third World itself, existing community-based institutions and local ethnic and religious groups may prove to be more efficient and humane vehicles for facilitating development than distant bureaucracies. If the ideal is deeper than mere material development, the advanced democracies might collectively fashion a variety of new programs that would avoid either reinforcing local autocrats or overthrowing local cultural traditions.

Such policies would link aid with self-help and would promote respect, not only for universal human rights, but also for indigenous ideas of divine responsibility and local traditions of social organization. Development would be a collaborative activity designed to root liberty and accountability in civil society rather than just to generate wealth for a centralized state bureaucracy.

It is important to set a new global agenda that adds the vision of View B to the realism of View A in order to keep us from making weapons the main focus of our attention in the discussion of foreign policy. Paradoxically, even those who call for reducing or freezing our strategic arsenal can involuntarily compound the problem by focusing either on technological carvings on the totem pole or on symbolic actions that do not go to the heart of the main problem, which is the risk that other kinds of confrontation could involuntarily escalate into nuclear conflict. Unless our own unifying ideals transcend the materialistic ones of prosperity measured in consumption and security measured in weapons, our society may become ever more fixated on the thermonuclear totem in a debt-ridden garrison state. America as we have known it will be in its terminal travails, and the only real question will be whether we end with a bang or a whimper—burning in space or freezing in place. Setting a new global agenda would help turn our attention from rival totem worship to new rituals of collaboration. We would be following the main injunction of the best theological writings on the nuclear problem: the obligation to use the time gained by mutual deterrence to begin establishing a more positive basis for peace.

But can our type of democracy really manage a complex foreign policy—one that combines View A and View B, that simultaneously speaks realistically to the outer face of Soviet power and idealistically to its inner aspirations? Would we be just projecting our own pride once again out into the world, moving back from the conservative realism of Nixon-Kissinger to the overextended globalism and potentially tragic hubris of Kennedy-Johnson? Should we not pull in our horns and go back to Eisenhower, or to even earlier forms of withdrawal that might satisfy both the isolationism of our people and the relativism of our intellectuals?

The fact is that we cannot either go back or stay home. We are in the world psychologically and ethnically as well as economically and ecologically. That world—all of it—is increasingly interrelated by (1) the unity and destructive potential of our technology, (2) our ecological and resource interdependence, and (3) our economic interrelationships in producing and distributing the world's goods and services.

It can be dangerous for an imperfect people to proclaim a higher ideal (groups being even more fallible than individuals). The exercise will be redeemed only if our people recognize again that we are subject to a higher, more universal standard of judgment—and then pay a price in homage to that ideal. If it costs us something voluntarily, it minimizes the danger that we will be merely projecting our coercive force onto others. Each nation in our pluralistic world is most likely to help others by first rediscovering the highest ideals within itself. Our interrelated, endangered planet needs not the lowest common denominator of agreement based on indifference but a higher numerator of hope, which only faith can provide.

If we do not have enough faith in democracy to make new sacrifices to share it, we will risk breaking our own links with our forefathers' concurrent faith in a God of justice and judgment. And we will fail our heritage of rational enlightenment no less than that of revealed religion. For experience has confirmed Reinhold Niebuhr's famous dictum that, if man's capacity for good makes democracy possible, his possibility for evil makes it indispensable.

But are faith and vision finally compatible with realism, with the tangible realities and more manageable tasks of simply responding to the passing parade of external dangers? Our dangers in the nuclear era will not pass away, and deep conflicts in history—such as ours with the Soviet Union—are not likely to be solved so much as bypassed. We cannot ultimately "solve" our problems with the Soviets' ideologically based empire either by amassing ever more weapons to put pressure on them or by offering ever more concessions for agreements to reassure them. But, by creating a new agenda of constructive democratization elsewhere in which they also can participate, we provide a positive way out of indefinite confrontation and perpetual danger.

Of course, it would be simpler and cheaper for the United States to subscribe to either View A *or* View B rather than to both. But our kind of system will not ultimately survive without both ways of looking at the world, for the democratic experiment has always needed both a strong defense and a transforming ideal.

The cause of peace would not be promoted by drastically retrenching the defense commitments dictated by View A in order to subsidize the development called for by View B. In the absence of major Soviet retrenchment abroad, such unilateral disarmament on our part would inspire contempt rather than gratitude among Soviet leaders, encourage advocates of violence in the Third World and impede rather than advance the latent potential for real change within the rising generation in the U.S.S.R. But we cannot drift into accepting the military strength required by View A as our only serious international obligation—and viewing the programs required by View B only as marginal additions or rhetorical embellishment for realpolitik. Our positive long-term objective keeps short-term military necessities properly subordinate to higher civilian aims. View A will be unacceptable in the long run to our people and to the other members of the international commonwealth of democratic states unless it is complemented by View B.

The vision of more accountable governments and freer societies ultimately provides not only a common ideal for the democracies, but a better basis for communicating with the nondemocratic nations of a pluralistic world. We must be tough and specific with the ruling Soviet elite precisely because we wish to be broad and generous with their long-suffering people.

The centrality of human rights in such an agenda introduces real difficulties, but human rights have provided a banner for both deepening the democratic commitments of Western Europe and reviving them in Latin America. The proclamation of such rights was part of our founding identity as a nation and has become—through the Helsinki agreements—part of the international obligations of the Soviet Union and its East European satellites.

The cause of human rights provides a valuable vehicle for peaceful, evolutionary democratization throughout the communist world. It can help them to come up gradually from their long submersion in the Stalinist depths to the fresh air of freedom—without going through the bends of military dictatorship or civil war. There as elsewhere, the approximation of democracy through increasingly accountable governments may ultimately prove, in an imperfect and divided world, the best long-term guarantee of peace. Out of the large literature on how wars start in the modern world, there emerges one heartening fact: democracies do not fight one another.

On behalf of the committee, I want to thank the witnesses for their testimony today. I hope the committee will be able to continue to call on you. Thank you.

# INTERNATIONAL SECURITY ENVIRONMENT (STRATEGY)

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FRIDAY, APRIL 14, 1989

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
*Washington, DC.*

## DEVELOPMENTS IN THE INTERNATIONAL SECURITY ENVIRONMENT AND THEIR IMPLICATIONS FOR U.S. SECURITY REQUIREMENTS

The committee met, pursuant to notice, at 9:14 a.m., in room SR-222, Russell Senate Office Building, Senator Sam Nunn (chairman) presiding.

Committee members present: Senators Nunn, Exon, Levin, Dixon, Glenn, Wirth, Warner, Cohen, Wallop, and Gorton.

Committee staff members present: Arnold L. Punaro, staff director; Richard D. DeBobes, counsel; Daniel G. Sakura, research assistant.

Professional staff members present: Robert E. Bayer, Robert G. Bell, Richard E. Combs, Jr., Richard D. Finn, Jr., John J. Hamre, James R. Locher III, and Michael J. McCord.

Minority staff members present: Patrick A. Tucker, minority staff director and counsel; Romie L. Brownlee, deputy staff director for the minority; Robert F. Bott, Brian D. Dailey, Judith A. Freedman, Ronald P. Kelly, George W. Lauffer, Durwood W. Ringo, Jr., Mark B. Robinson, and Ann Elise Sauer, professional staff members.

Staff assistants present: Barbara L. Braucht and Kelli J. Pronovost.

Committee members' assistants present: Jeffrey B. Subko, assistant to Senator Exon; Kenneth N. Luongo, assistant to Senator Levin; Phillip P. Upschulte and Milton D. Beach, assistants to Senator Glenn; Leon S. Fuerth, assistant to Senator Gore; Jefferson B. Seabright, assistant to Senator Wirth; Terrence M. Lynch, assistant to Senator Shelby; C. Richard D'Amato, assistant to Senator Byrd; Christopher K. Mellon, assistant to Senator Cohen; Anthony H. Cordesman, assistant to Senator McCain; Jack D. Crouch II, assistant to Senator Wallop; Robert M. Soofer, assistant to Senator Gorton; Charles Pearcy, assistant to Senator Lott; and Eric H. Thoemmes, assistant to Senator Coats.

## OPENING STATEMENT OF SENATOR SAM NUNN, CHAIRMAN

Chairman **Nunn**. The committee meets this morning to receive testimony from Adm. William J. Crowe, Jr., U.S. Navy, Chairman of the Joint Chiefs of Staff.

Admiral Crowe has agreed to provide an overview of the global security environment, focusing on significant recent developments and their implications for U.S. military strategy and operational requirements.

On behalf of the committee, I extend a warm welcome to you this morning, Admiral Crowe.

Admiral **Crowe**. Thank you, sir.

Chairman **Nunn**. The committee has greatly benefitted from your testimony in the past, and, of course, the Nation has greatly benefitted from your service. I am certain that we will benefit again here today.

In several weeks, Admiral Crowe will appear before the committee with Secretary Cheney, to testify on the amended defense budget request for fiscal years 1990 and 1991.

This hearing has been tentatively scheduled for May 3. We hope that we will be able to confirm that as soon as the budget schedule becomes more certain in the Department of Defense.

I would suggest that questions on specific budget issues that members may have, be reserved for that time, although certainly nothing is off limits in the way of questions. I think that Admiral Crowe would be much better prepared to get into the specifics of that when the budget is finished.

We have plenty of other things to talk about this morning.

During the past year, we have witnessed significant, even dramatic, events in the international security environment, including the signing of the INF Treaty and the beginning of the elimination of these classes of nuclear weapons; a ceasefire in the war between Iran and Iraq; announcement by Soviet President Gorbachev of unilateral reductions of 500,000 military personnel and 10,000 tanks to be made over a 2-year period. Of course, that is an announcement; it is not a reality now. Also, a complete withdrawal of Soviet forces from Afghanistan; an agreement for a political solution to the disputes involving South Africa, Namibia, and Angola, which is rather tenuous at the moment, but at least we still have hope; an announcement by Vietnam of its intention to withdraw all of its military forces from Cambodia; new openings in Sino-Soviet relations, with a summit scheduled for May; the beginning of a dialogue between the United States and the PLO; the first contested elections in the Soviet Union in 71 years, the results of which have demonstrated widespread popular support for a program of reform and widespread opposition against certain officials of the Soviet Union who were defeated; as well as significant political reforms and ferment in many East European countries, especially Poland and Hungary.

There is little doubt that these events, in the aggregate, offer considerable potential for improved superpower relations, reduced East-West tensions, and resolution of certain regional flashpoints.

There is considerable uncertainty, however, how the United States and its Western allies should respond to these events in order to take maximum advantages of the opportunities for enhanced security and stability to help shape the course of future events, while, at the same time, guarding against adverse events that may, of course, pose certain dangers.

There appear to be two schools of thought on appropriate American and Western responses to these new openings. One school argues that the West should be pro-active, offering bold and innovative proposals. The other school proposes caution, waiting to see more evidence, and for deeds to match words.

In testimony before the committee last week, Arnold Horelick characterized the first school as not wanting to miss the boat and the second school as not wanting to rock the boat.

This morning, I think we will hear testimony from an individual who, I hope, will tell us how to steer the boat. I think that we have a chance here to develop our own agenda, and not simply to wait for the boat to be rocked.

During the hearing, we will have many questions for you, Admiral Crowe. Before we get to you, though, I would call on Senator Warner, our ranking member, for any comments he may have.

Senator **Warner**. Thank you very much, Mr. Chairman. I just wish to add my praise to yours for this distinguished sailor, who has served his country now in many roles, but this is, by far, the most important.

I was thinking last night about the early dark days of the presidency of Franklin Roosevelt when he stated, "The only thing we have to fear is fear itself." I would observe today, at this point in our history, that the things we have to fear most are too much premature rejoicing and a rush to try to accommodate.

I join the chairman in saying that I think we should move with great caution as these developments are taking place, but not to miss any opportunities.

I believe this is not the time to abandon the policies we have followed which have led to improving these conditions, namely, peace through strength.

This is a time to remain strong and resolute while, at the same point, extending a helping hand to those who clearly demonstrate that they want to choose freedom and democracy.

The concept of forward deployment remains sound and essential. You and I discussed that briefly last night. Any foreseeable scenario, however, for the next 10 years, in my judgment, will require a much greater reliance on flexible, deployable forces and less on prepositioned static forces.

The shift toward more flexible, deployable forces will result from increased political and economic pressures to reduce forward deployments in Europe and in Korea, as well as an increasing number of potential trouble spots with fewer foreign operating bases available for use to the U.S. forces, and the increased likelihood of unpredictable, low intensity conflicts.

Therefore, I believe we must improve our airlift and our sealift, and our ability to assure the security of our sea lanes of communication, as well as to ensure that we have the capability to project our intentions in appropriate force throughout the world.

Thank you, Mr. Chairman.

Chairman NUNN. Thank you, Senator Warner. Senator Dixon had another meeting to attend, so I would like to include his statement in the record at this time.

[The prepared statement of Senator Dixon follows:]

### PREPARED STATEMENT OF SENATOR ALAN J. DIXON

I would like to welcome our very distinguished witness, Adm. William J. Crowe, the Chairman of the Joint Chiefs of Staff. The Admiral's views, which are based on several years of exceptional military service, have always been welcomed by this Senator and have helped the Congress in our deliberations concerning our national defense.

Admiral Crowe's presence here today could not be more timely as a new administration and Congress are now beginning to seriously tackle our defense budgetary problems for this fiscal year. Several difficult questions have to be addressed and tough choices have to be made in several key areas.

Of course, our defense needs are predicated on the external threats that we face. Although our major threat from the Soviet Union is beginning to lessen, today we are still confronted by massive Soviet conventional forces in Europe, and a large—and increasingly mobile—Soviet strategic force within the Soviet Union. In the Far East, despite increased dialogue between the North and the South, we still confront large and highly capable North Korean forces on the Korean Peninsula.

To address the larger picture of what are our strategic interests and potential threats, the administration has been conducting a comprehensive review. I hope that this review makes our choices in this committee a little easier—but if it doesn't, the review will at least help establish the groundwork upon which prudent decisions can be made.

Admiral Crowe, as Chairman of the Joint Chiefs, has played a vital role in this review, and can provide valuable insight into what has been determined thus far. I want to thank the admiral for being here, and for his distinguished service to our Nation. I look forward to his testimony.

Chairman NUNN. Admiral Crowe, we are delighted to have you. You are our only witness this morning, so take whatever time you would like in presenting your opening statement. Then we will have questions for you.

If you would like to summarize, fine. But if you would prefer to give your entire statement, it is, I am sure, something we all would be interested in. So we welcome the entire statement—however you would like to proceed.

## STATEMENT OF ADM. WILLIAM J. CROWE, JR., USN, CHAIRMAN, JOINT CHIEFS OF STAFF

Admiral CROWE. Thank you, Mr. Chairman.

Mr. Chairman, with your permission, I would much prefer to summarize the statement. My formal statement is quite long, and I think the time would probably be more profitably spent on questions.

Chairman NUNN. Well, I have read it and it is an excellent statement. So whatever you prefer.

Admiral CROWE. I have submitted that statement which addresses the subject of the hearing. I am not so sure that I can live up to your charge this morning to tell us what course to steer, but I think probably the biggest problem we have is the elaborate machinery, et cetera, between course orders and the rudder. I don't know how responsive our Government is to course orders. But that is an occupational hazard that we all live with.

To begin with, we are confronted with a rather confusing and incomplete picture of the Soviet Union. I am sure that that has consumed a great deal of your time in the last week in the hearings that you have already conducted.

In this regard, I am inclined to look at the essential elements and underlying pillars of Soviet military power, just as General Secretary Gorbachev himself is doing today.

The basic characteristics of Soviet military power are well known: robust military capabilities in space; strategic forces with intercontinental range; conventional ground and air forces capable of power projection across the entire Eurasian continent; naval forces poised to deny Western sea lanes; and heavily armed surrogates in strategically important parts of the Third World. Any U.S. military strategy must confront these realities.

On the other hand, the Soviet military establishment is having a tough time insulating itself from political, economic, and social problems cutting across the nation as a whole.

Specifically, to cite a few examples, Soviet military leaders are worried that many of the nationalities are not emotionally attached to or inspired by the socialist fatherland; and they are worried that state science, technology, and industry are lagging behind the West in such important areas as microelectronics, robotics, and sophisticated instruments.

Additionally, they are worried that factory managers and workers are slow to grasp and practice the fundamentals of quality control; and, more close to home, that young recruits are not being prepared adequately for the moral and physical rigors of compulsory military service.

In that regard, I might note on a personal vein that Marshal Akhromeyev referred specifically to this a number of times when I was with him last summer.

In turn, Gorbachev has moved quickly to gain control of the national security apparatus and to strengthen civilian inputs to the decisionmaking process. He is looking at all pillars of Soviet military power, not merely hardware in the field.

To solve today's problems and invest more in the future, I would suggest that that is the reason Gorbachev has called for a military posture of "reasonable sufficiency."

Many of the supporting policies can be seen in force reductions which he announced last December, and in the associated changes in Soviet military doctrine.

Specifically, the Kremlin has pledged a 14-percent reduction in spending for defense, and, by the end of 1990, a 500,000 drawdown in active military personnel. Concurrently, the Soviet Ministry of Defense has advised the Warsaw Pact to stress a nonaggressive stance, no territorial claims on any state, and no more armed forces than are necessary for self defense.

These promises, however, touch only the margins of Soviet military strength. This is an important point that we should bear in mind throughout our deliberations.

Even after reducing 500,000 troops, the U.S.S.R. will end up with an active military establishment of about 4.6 million personnel, and the world's largest inventory of military hardware.

Further, Soviet military spokesmen have said that as long as the threat of war exists in the minds of Communist Party leaders, they will retain an effective offensive potential. I find this rather sobering.

Granted, a larger state investment in consumer goods and services could limit the growth of military power. Yet, after 4 years of perestroika, the consumer picture remains as bad as ever—some would say worse.

Let me address strategic arms reductions.

At the moment, Gorbachev is anxious to renew the START negotiations. Before the United States can respond, however, we must complete the strategic review ordered by President Bush. At this juncture, two topics dominate the strategic weapons debate: mobile missiles and the Strategic Defense Initiative.

The United States originally proposed a complete ban on such missiles. But we have, at the same time, indicated some willingness to change our position if an effective verification regime could be worked out.

In the interim, the Soviet Union has fielded two classes of mobile, land-based missiles, forcing the United States to go ahead and consider adding more mobility to its own ICBM force.

When moving in this direction, however, we must agree on the basic problem. Some people contend that the driving factor should be ICBM survivability in a deepening East-West crisis, in which case the rail mobile Peacekeeper can very well fill the bill. Others insist that the basic problem is a bolt out of the blue attack on the United States, which perhaps argues for a large inventory of small road mobile ICBMs.

It should be kept in mind throughout these deliberations that we currently have 950 Minutemen and 50 Peacekeepers positioned in silos.

When weighing the pros and cons of a first strike, the Soviet planner has no choice but to assume that we would launch these missiles when under attack.

Questions of a different sort arise in the case of SDI. Our research has proven very promising, but a number of important questions remain to be answered, especially where space-based systems are concerned.

Given that reality, the current question is which direction and how fast to move toward selecting a deployable system. That, of course, faces Secretary Cheney right now, as he is drafting his budget submission.

Everyone must understand in this process that we are currently living with an offensive-dominated situation. Even if we wanted to shift more resources into a defensive posture, we cannot stop investments in the modernization of our ICBMs, strategic bombers, and ballistic missile submarines.

With the deep reductions associated with START, such investments will become more, not less, important.

Next is NATO and conventional forces in Europe.

Turning to conventional forces in Europe, Gorbachev's promise to reduce some 240,000 troops and 10,000 tanks west of the Urals could produce some rather promising breaks for NATO, mainly in the form of more warning of an attack from the East.

Before jumping to conclusions, however, NATO must verify and satisfy itself that these reductions occur within the timeframe and on the scale promised by the Kremlin. Further, more warning of Warsaw Pact attack does not mean that an attack will never occur. Much will depend, as it has in the past, upon NATO's stance and its mobilization potential, as seen in active forces of high quality, well trained reserves, investments in advancing military technologies, adequate sustenance on the field of battle, and a responsive defense-industrial base.

In a similar vein, we should not expect NATO-Pact negotiations, now underway in Vienna, to produce a perfect military balance or to solve all of the military problems of Europe. In any event, NATO will have to live with Soviet forces east of the Urals, which can be easily moved to the western part of the U.S.S.R. and by a well-developed rail system to the central European front.

The Pact, in turn, will have to contend with U.S. and Allied naval forces, which are currently excluded from the NATO mandate for CFE. In essence, both sides will have to exercise patience, good judgment, and live with some real-world compromises.

In the final analysis, it does make eminently good sense for NATO and the Pact to move toward a lower level of conventional arms in Europe and to keep the focus on forces capable of seizing and holding territory.

Let me turn now to Northeast Asia. In central Asia, opposite China, the Kremlin has announced plans to——

Chairman Nunn. Admiral, do you mean by "keeping the focus of forces capable of seizing and holding territory," that keeping the focus of arms control reductions on that?

Admiral Crowe. Yes, I do, Mr. Chairman. Thank you.

In central Asia, opposite China, the Kremlin has announced plans to draw down about 200,000 troops. These plans do not affect the size or disposition of Soviet forces in the maritime provinces adjacent to North Korea, Japan, or Alaska.

In fact, the U.S.S.R. continues to improve its air and naval capabilities in the Pacific Far East.

In this situation, forward defense of the United States is bolstered by our alliance with Japan. We are committed by treaty to the territorial integrity of Japan, and by another agreement to peace and stability on the Korean Peninsula.

To maintain a favorable balance of power in the region, we must also protect our lines of communication to China, as well as Northeast and Southeast Asia.

In defense planning with Japan, we have always stressed compatibility and interoperability, rather than functional specialization. While U.S. and Japanese forces exercise together, only the U.S. forces are structured for a regional security role.

Today, neither China, the Republic of Korea, nor Japan want Washington to abandon its forward deployed posture or to draw down to the point where Soviet air and naval forces would loom extremely large in the regional military balance.

Turning to the Third World, our global military strength is paying dividends in the Soviet withdrawal from Afghanistan, the Iran-Iraq truce, in Africa, and on a number of other fronts. It is highly uncertain, however, that Moscow and its surrogates will remain on a less threatening course.

Granted, Gorbachev has expressed some concern about the cost of exporting revolutions. Yet the Communist Party remains committed to the moral and materiel support of local wars of national liberation.

Further, some good friends of the Soviet state are engaged in the training, covert passage, and the arming of terrorist groups. In the long run, Soviet behavior in the Third World may very well depend upon the success or failure of Gorbachev's efforts to overhaul and revitalize the Soviet economy.

If he fails in this task, party hawks may be sorely tempted to challenge the West in a variety of ways.

Other problems in the Third World arise from radical governments anxious to expand regional power and influence at the expense of moderate, pro-western governments. In the process, these regimes have no trouble acquiring such offensive military arms as tanks, aircraft, mines, ballistic missiles, chemical weapons, and even nuclear technologies. There is no quick or easy way to stem this tide.

In this situation, I would much prefer to see a larger U.S. military assistance program designed to help friends with the will and manpower, but not the resources, to defend themselves. Yet, many in Congress I believe are concerned about the Third World debt crisis. In their view, our foreign aid programs should focus primarily, even exclusively in some cases, on financial and economic assistance.

This is important, of course. If it is the wave of the future, we will have to rely more on our own combat forces to deter those inclined to engage in terrorism, subversion, or greater forms of aggression.

I have learned as well that Congress expects the President to deal with security problems in the Third World quickly and effectively, with a minimum, or even no loss of American lives. That is a very interesting requirement, Mr. Chairman.

Given these inflated expectations, nothing will substitute for forces and people of exceptionally high quality, and even then that can be a very tough requirement to meet.

In concluding, I would say that the international climate overall is better today than it was in the early 1980s, notably in our relations with the Soviet Union. Our policy of peace through strength has been instrumental, in my view, in producing these developments and will most likely play a critical role in shaping future actions by the Soviet Union.

Certainly, recent military initiatives by Gorbachev are encouraging. Yet I find more continuities than changes in the essential elements of Soviet military power. Moreover, we have yet to see a larger commitment of resources to consumer goods and services. Until this happens, the future of perestroika and glasnost remains cloudy.

In a fiscally constrained climate, we cannot be strong everywhere at once, or plan to deal with the entire spectrum of worst case scenarios. We could, in such a climate, be forced to move toward smaller conventional forces than we have today. If so, we must strike, or attempt to strike, a reasonable balance between forces available for NATO Europe and Northeast Asia and units available to manage security problems in the Third World.

Finally, we could be at the dawn of a new era in East-West relations, which will offer genuine opportunities to reduce strategic nuclear and conventional arms. We should move in this direction, however, as tangible evidence of change mounts and our confidence grows, not as a result of rhetorical hopes and promises.

That concludes my summary, Mr. Chairman.

[The prepared statement of Admiral Crowe follows:]

# STATEMENT OF

ADMIRAL WILLIAM J. CROWE, JR., USN

CHAIRMAN OF THE JOINT CHIEFS OF STAFF

## INTRODUCTION

Mr. Chairman and members of the Committee: Thank you for inviting me back for the third review of our national military strategy. The stage was set in 1987 with a global overview and continued in 1988 with an examination of the INF Treaty and its impact on NATO.

This year, you are addressing the global security environment, with emphasis on initiatives by General Secretary Gorbachev of the Soviet Union. Will he improve the lot of Soviet consumers and arrest the unbridled growth of Soviet military power? Will his promise of unilateral reductions, when carried out, ease the situation in Europe and Asia? What are the prospects for START and a reduction of conventional forces in Europe? Is Soviet support for Third World troublemakers more or less likely in the 1990s?

When pondering such questions, I am inclined to focus on the essential elements and underlying pillars of Soviet military power--just as Gorbachev is doing today.

## GLOBAL OVERVIEW

To begin, a few words are in order about America's role in world affairs. Generally speaking, our global military strategy is designed to safeguard and promote enduring national interests:

- The survival of the United States as a free and independent nation;

- A healthy and growing economy to provide opportunity for individual prosperity and a resource base for our national endeavors; and

- A vigorous alliance relationship to bolster forward defense of the United States and collectively maintain peace with freedom in the world at large.

These interests also describe our success as a nation: a representative government freely elected by the American people, a land bountiful in human and natural resources, a strong and diverse industrial base, a vast market for consumer goods, and the world's largest gross national product. No other country has a better environment for pursuing individual and national endeavors.

### BASIC OBJECTIVES

Last year, President Reagan submitted to Congress a report on national security strategy and, within this report, you will find two fundamental objectives:

- Maintain security of our nation and our allies by deterring aggression, repelling or defeating any attack should deterrence fail, and ending the conflict on terms favorable to the United States, its interests, and its allies; and

- Respond to the challenges of a global economy by heeding economic factors that affect our national security, tending to foreign sources of supply in critical areas, and limiting the vulnerability of our supply lines.

These objectives remind us that America has no real choice between economic security and military security.

## MILITARY POSTURE

Our global military posture is designed to keep the peace, prevent small crises from becoming big ones, and deter major hostilities. In practice, we strive to maintain a healthy strategic and theater nuclear capability, field forces of high quality to offset numerically superior adversaries, exploit total force planning with our allies, and limit war reserve material to the time required by industrial mobilization.

This posture is not without fiscal constraints and military risks. Today, for example, we are not able to keep all of our forces, active and reserve, ready for combat on an everyday basis. Similarly, we are not positioned to reinforce and defend simultaneously Western Europe, Southwest Asia, and the Pacific Far East. Instead, we must plan to deal with these theaters sequentially depending upon circumstances and priorities at the time.

## DILEMMAS OF THE SOVIET UNION

Meanwhile, we are confronted with a host of continuities, changes and uncertainties surrounding the evolution of Soviet military power.

## LEGACIES OF THE PAST

Legacies of the past include a Soviet military posture designed to defeat every possible coalition apt to oppose the Communist State--plus strong military attachment to the principle that a good defense of the homeland will always require a strong offense terminating in a crushing defeat of the enemy. With this kind of thinking, it is not at all surprising that the Soviet Union maintains the largest military establishment in the world.

Enduring elements of Soviet military power are well-known: robust capabilities in space, strategic and theater nuclear forces with intercontinental range, conventional ground and air forces capable of power projection across the entire Eurasian Continent, naval forces poised for the denial of Western sea lanes, and heavily armed surrogates near many of the world's oil fields and maritime choke points. Any U.S. military strategy must confront these realities.

## PROBLEMS WITH THE UNDERLYING PILLARS

On the other hand, the underlying political, social, and economic pillars of Soviet military power are not in good shape. Part of the problem lies in 20 million members of the Communist Party trying to govern the everyday lives of 280 million people and not doing a very good job of it.

Lack of political cohesion also can be seen among ethnic minorities inhabiting territory and clinging to cultures predating the Communist revolution by 1000 or more years. Many of the nationalities are not emotionally attached to or inspired by the "Socialist Fatherland."

Today, Soviet leaders are beginning to understand that the nation's future depends largely on the productivity, initiative, and satisfaction of 130 million workers--not just Party functionaries. In turn, State planners must improve the quality of consumer goods and services available to the Soviet People as a whole.

Compounding these problems is the Kremlin's central budget deficit, concealed from public view for many years. Investment increases are required in the energy sector to sustain economic growth, in food production to keep pace with population, in the machine tool industries to exploit new manufacturing processes, and in disaster relief for the people of Chernobyl and Armenia. Yet, State revenues have sagged in the face of falling world oil prices (a major export) and a stagnant economy.

The Soviet High Command has its own problems and dilemmas. Today, many national defense industries are lagging behind the West in manufacturing processes that employ advanced computers, microelectronics, robotics, and sophisticated instruments. To solve this problem, Party leaders must do more than gain access to or replicate Western technologies. They must as well motivate factory managers and workers to grasp and practice the fundamentals of quality control, efficiency, flexibility, and innovation.

Concurrently, Minister of Defense Yazov and an increasing number of other military leaders are concerned about the quality of Soviet military personnel--sagging patriotic support for the "Socialist Fatherland," recruits not prepared for the moral and physical rigors of compulsory military service, officers lacking "fatherly concern" for the troops, poor operational and technical discipline within the ranks, too much damage to combat equipment in the field, and lack of candor in readiness reporting.

These personnel problems are compounded by non-Russian recruits lacking proficiency in the Russian language. Yet, the nationalities are demanding more, not less, autonomy in political and cultural relations with the Central Government.

Overall, the Soviet military establishment is having a tough time insulating itself from political, social, and economic problems cutting across the nation as a whole.

## TOWARD "REASONABLE SUFFICIENCY"

Given this array of problems, Gorbachev has moved quickly to gain control of the national security apparatus and to strengthen civilian inputs to the decision-making process. He is looking at all pillars of Soviet military power--not just hardware in the field.

In general, Party leaders hold that defense must remain the first priority of the State. But they have severely criticized Stalin for making too many enemies, Brezhnev for overreacting to external threats, and both for dragging down the economy. They know that the Soviet Union cannot remain a first-rate military power without a more developed scientific, technical, and industrial base.

To solve today's problems and invest more in the future, Gorbachev has called for a military posture of "reasonable sufficiency." Many of the supporting policies can be seen in force reductions he announced last December and associated changes in Soviet military doctrine.

### Unilateral Reductions

To lay the groundwork for unilateral reductions, Gorbachev first had to mend fences with the U.S. and its NATO allies and with the People's Republic of China, all of whom complained about the size and offensive stance of Soviet armed forces. In the process, he was forced to match promises with specific plans and actions.

These plans allegeuly include a 14 percent reduction in spending for defense and, by the end of 1990, a 500,000 drawdown in active military personnel. The drawdown will include some 70,000 officers.

In Eastern Europe and the Western USSR, the Soviets have said that they will reduce some 240,000 active duty military personnel while eliminating 10,000 tanks, 8,500 artillery systems, and 800 aircraft.

Within this total, the Soviets plan to withdraw 50,000 troops and 5,000 tanks from Eastern Europe. The tank divisions will be disbanded and the tanks destroyed, with only their engines preserved for other uses. Other divisions in European USSR will be thinned out to account for the additional 5,000 tanks.

In Central Asia, the status of Outer Mongolia has long been a bone of contention between the USSR and China. Moscow claims that it needs a military presence there to defend a 1,500 mile stretch of the trans-Siberian railroad. Beijing contends that the Soviets have more forces in Outer Mongolia than they need for this purpose. In turn, the two sides appear to have compromised on the removal of two out of four Soviet divisions from Mongolia.

In all, the Soviets plan to reduce some 200,000 troops in the region opposite China. Thus far, such plans do not affect the size or disposition of Soviet forces in the maritime provinces adjacent to Japan and Alaska.

In Southwest Asia, the Kremlin intends to discharge about 60,000 military personnel--roughly equal to the four divisions which have come out of Afghanistan. We see no indication of change in forces along the Soviet border with Iran or Turkey.

Even after the promised reduction of 500,000 personnel, the USSR will end up with an active military establishment of about 4.6 million personnel (not counting KGB border guards and internal security troops). It will still have the world's largest single-country inventory of military hardware--more than all of NATO combined, including the US, in many categories of equipment.

## Revised Military Doctrine

As promised by Gorbachev, the Soviet Ministry of Defense is moving to revise military doctrine at home and in guidance to the Warsaw Pact. Recent consultations with the Pact stress a non-aggressive stance, no territorial claims on any state, and no more armed forces than are necessary for self-defense.

In consultations with the Warsaw Pact, Defense Minister Yazov reportedly has explained that the goal should not be the accumulation of military strength, but maintenance of this might at a level that precludes military superiority over them and guarantees a reliable defense. With this new guidance, the Warsaw Pact allies are reducing their own spending for defense--presumably with the Kremlin's approval.

## Implications for the West

If carried out as planned, military initiatives by Gorbachev will have security implications for NATO Europe.

Today, the USSR and its Pact allies have about 53,000 tanks in Eastern Europe and the USSR west of the Urals. Thus, Soviet plans to eliminate 10,000 tanks in this area amount to about a 20 percent reduction opposite NATO.

In this regard, Soviet military spokesman have told us that so long as the threat of war exists in the minds of Communist Party leaders, they will retain an effective offensive posture. Thus, the question is not whether the Soviets will be able to launch a massive attack on NATO, but how long it would take them to prepare for one.

Other elements of Soviet military power are untouched by the reductions announced thus far--like military activities in space, strategic offensive and defensive forces, air defense units, naval combatants, and strategic mobility assets. Moreover, military balances in the Third World will be affected more by Soviet arms transfers than by planned drawdowns opposite China and NATO Europe.

## EVOLUTION OF SOVIET MILITARY POWER

Though political and military initiatives by Gorbachev are encouraging, major uncertainties surround the evolution of Soviet military power over and beyond the next decade.

Predictably, a larger State commitment to consumer goods and services would be costly to put in place and difficult to reverse. In turn, we would not expect Soviet military power to grow as much as it did during the 1970s. Yet, after four years of perestroika, the consumer picture is as bad as ever.

In the main, Communist Party leaders are still reluctant to invest more resources--as opposed to rhetoric--in the consumer sector. Some factions within the Party are loathe to stock the shelves with Western goods bought on credit. In their view, this would leave the State with a mountain of debt and nothing to show for it.

State ministries are equally slow to allocate more raw and finished materials to government enterprises, joint venture firms, and private cooperatives otherwise equipped to produce more consumer goods. To illustrate this point, a factory in Leningrad is producing shoes of better quality, but its managers cannot produce more shoes without an increase in the supply of leather--and this has not happened.

Possibly, Gorbachev needs more time to reorder priorities and adjust competing claims on commodities produced by State enterprises. Certainly, the Soviet people will be looking at the next five-year plan (starting in 1991) to see whether the Kremlin is really serious about improving their lot.

Other unknowns surround efforts by the Soviet High Command to move toward a more soldier-effective force. Today's leaders are not attracted to the Leninist theory that "quantity has a quality all of its own" or the notion that troops are expendable. Yet, a two-year period of compulsory military service is not enough time to teach recruits of various nationalities the linguistic and technical skills required to achieve individual initiative and teamwork on the field of battle.

Recently, we have seen indications that the Soviet State is ready to allow more university deferments from compulsory conscription. Otherwise, we do not know what they have in mind as a long-term military personnel policy.

In sum, unilateral initiatives by Gorbachev provide very few clues about the evolution of Soviet military power. More revealing in this connection will be developments on the arms control front.

## STRATEGIC ARMS REDUCTIONS

At the moment, Gorbachev is anxious to renew the START negotiations. Before the United States can respond, however, we must complete the strategic review ordered by President Bush. Two topics dominate this review and the debate surrounding it: the Strategic Defense Initiative and Mobile ICBMs.

### WORST CASE SCENARIO

U.S. policy with regard to strategic forces is based on the belief that:

- A credible threat of nuclear retaliation may not be sufficient to ensure deterrence under all conditions.

- In deep crisis, a nuclear power might act in a desperate and irrational fashion and launch an attack on the U.S with limited or no strategic warning.

- Therefore, our strategic forces--offensive or defensive--should not be dependent upon warning time.

Two legs of our TRIAD (airborne bombers and sea-based ballistic missiles) are not directly sensitive to warning time. We have never invested much in civil defense and have no defense against an accidental or deliberate ICBM attack on the U.S.

Soviet strengths and weaknesses also influence the current review. Since 1970, the USSR has invested in an ABM site around Moscow and a highly mobile force of land-based missiles. By comparison, the United States seems less prepared to deal with the possibility that deterrence might fail.

## ICBM MODERNIZATION

The strategic debate focuses as well on ICBM modernization. Unless based in a hardened silo or on a mobile launcher, the ICBM can be vulnerable to a first-strike. If launched under attack, it is not recallable.

These characteristics draw attention to the possibility of ambiguous indications and warning of a large-scale attack on the U.S. or on the Soviet Union. In this moment of apparent crisis, either side would be confronted with the dilemma of having to "launch or lose" its ICBMs. The Soviets seem better positioned with their mobile ICBMs to wait it out. Whether they could actually do so is an entirely different matter.

Today, both the U.S. and Soviet Union are wary of the push-button nature of ballistic missile warfare and so we are looking at deep reductions in those systems.

In START the U.S. has proposed a complete ban on mobile land-based missiles. We have told the Soviets that we are willing to reconsider our position on mobile ICBMs if an effective verification regime can be worked out. This is not yet the case. In the interim, the Soviets have fielded two classes of mobile missiles and the U.S. is, in turn, considering adding mobility to its own ICBM force. We must agree, however, on the basic problem.

- Some believe the driving factor should be ICBM survivability in a deepening East-West crisis, which reinforces the case for the rail-mobile PEACEKEEPER.

- Others insist that the basic problem is a "bolt out of the blue" attack on the U.S., which perhaps argues for a large inventory of small, road-mobile ICBMs.

In any event, we currently have 950 MINUTEMEN missiles and 50 PEACEKEEPERS positioned in silos. When weighing the pros and cons of a first-strike on the U.S., Soviet military planners have no choice but to assume that we are going to launch these missiles when under attack.

If mobile ICBMs are allowed under START it would make sense to limit deployment areas--big enough to survive a first strike but not so big as to make verification an impossible task.

## STRATEGIC DEFENSE

The SDI raises questions of a different sort. In time, we could deploy a system capable of destroying Soviet ballistic missiles and their warheads. But we will never be able to deploy an SDI that is 100 percent effective under all circumstances. There are, however, a wide variety of uses for strategic defenses that could enhance deterrence and make the world safer. These range from highly capable defenses that could effectively dominate offensive weapons to limited defenses that could be designed to deal with accidental Soviet launches or deliberate missile attacks by small nuclear powers of tomorrow.

Everyone must understand that we currently are living with an offensive-dominated situation. Even if we wanted to shift more resources into a defensive posture, we cannot stop investments in the modernization of our ICBMs, strategic bombers, and ballistic missile submarines. With the deep reductions associated with START, such investments will become more, not less, important.

## NATO AND CONVENTIONAL FORCES IN EUROPE

Meanwhile, Western Europe is moving toward a more fully integrated economic community, free of its traditional barriers to trade. By 1992, the EEC will rank with the United States in combined gross national product, military manpower, and defense industrial base.

On the other hand, European efforts toward greater political and military integration are moving more slowly. American in-place forces and reinforcements still loom large in the calculations of NATO defense planners.

On the Central Front of NATO, military responsibilities have not changed much since the 1950's. Essentially, five nations have eight sectors of responsibility facing east from the Baltic to the Alps. Each sector requires the same combination of arms. Yet, the sectors are not equally strong when it comes to forces in place, readiness, and sustenance on the field of battle.

A number of schemes have been proposed to make dispositions more rational and to distribute the responsibilities better. In this regard, I see little enthusiasm for change in NATO. The Alliance is, however, working to improve its forces through the Conventional Defense Improvements Initiative and other programs.

### SOVIET UNILATERAL REDUCTIONS

As indicated, unilateral reductions by the USSR may produce some breaks for NATO--namely, in the form of an increased Soviet need to mobilize and reinforce before an attack, which may provide NATO better warning of an attack from the East. Before jumping to any conclusions, however, NATO must verify and satisfy itself that the USSR actually reduces forces on the scale and within the time frame promised by Gorbachev.

Further, more warning of an attack from the East does not necessarily mean that an attack will never occur. Thus, NATO must continue to support its deterrent stance and mobilization potential with active forces of high quality, well-trained reserves, prior investments in advancing military technologies, adequate sustenance on the field of battle, and a responsive defense industrial base.

### NATO/PACT NEGOTIATIONS

At the moment, multilateral prospects for reducing Conventional Forces in Europe (CFE) look relatively promising. The Warsaw Pact may be genuinely interested in moving from military superiority to rough parity relative to the forces of Western Europe. They know this will require asymmetrical reductions and appear willing to examine such reductions. Like NATO, the Pact is looking at forces capable of seizing and holding territory.

There will be some tough sessions in Vienna on the subject of land-based aircraft. If opening positions of the Pact are taken seriously, CFE would end with no fighter/bombers (only fighters) over the skies of Europe. In fact, they have said that phase three of CFE should eliminate all systems with an offensive potential.

However, Warsaw Pact negotiators are on weak ground when trying to constrain the tactical aircraft of NATO. To underscore this point:

- The Soviets have a numerical advantage in fighters which they want to exclude entirely from CFE reductions;

- CFE will not constrain Soviet fighter/bombers based east of the Ural Mountains but capable of moving rapidly into the European theater; and

- The USSR has an asymmetrically large inventory of medium range bombers (like BACKFIRES), unconstrained by SALT or the framework of START but nonetheless capable of conventional or nuclear strikes against NATO.

The aircraft problem reminds us that CFE will not produce a perfect military balance or solve all of the military problems of Europe.

NATO will have to live with Soviet forces east of the Urals which can be easily moved across Soviet territory to the European theater--plus a well-developed system of railroads linking the Western part of the USSR to the Central European Front. Granted, CFE may slow down the process, but it will not eliminate altogether a Pact capability to muster offensive force ratios.

The Soviets will have to contend with U.S. and allied naval forces excluded from the NATO mandate for CFE. In this regard, Soviet ground force commanders worry about the capability of U.S. naval warships to conduct strikes against military targets in Eastern Europe or the USSR. They seldom mention the offensive maritime capability of Soviet submarines and naval bombers.

Further, there are some additional issues associated with theater nuclear forces not captured by the INF Treaty--like the Soviet advantage in short-range nuclear missiles and NATO's reliance upon dual capable tactical aircraft. Though the Soviets often talk about a nuclear-free Europe, the leaders of Western Europe have no interest (as they would put it) in making the continent "safe for a conventional war."

In the final analysis, it does make sense for NATO and the Pact to move toward a lower level of conventional arms in Europe and to keep the focus on systems capable of seizing and holding territory.

## SITUATION IN EAST ASIA

Before leaving NATO to discuss the Third World, a few words are in order about the situation in Northeast Asia.

As a result of disputed claims to some of the Kuril Islands, Japan still lacks a treaty of peace with the Soviet Union. Japan also is a signatory to the Nuclear Non-Proliferation Treaty and could not defend itself against combined arms of the Soviet Union without military support from the United States.

Our mutual security treaty with Japan extends to territorial defense but not explicitly to the integrity of sea lanes connecting the various islands of Japan. This is a deliberate omission forced by the U.S. Senate during a 1960 renegotiation of the treaty. In turn, Japan is moving ahead to defend its sea lanes out to a distance of 1000 miles from the center of Honshu.

In defense planning with Japan, we have always stressed compatibility and interoperability rather than functional specialization. In turn, U.S. and Japanese forces often seem to be doing the same thing in the areas around Japan. Only U.S. forces, however, are cut out for a regional security role.

China also enters these calculations. In the late 1970s, Chinese leaders said they would not consider a regional security role until their "Four Modernizations" were complete. Today, Chinese planners still worry that the U.S. might withdraw from the region, leaving Japan or the USSR to fill the vacuum. This fear is shared, more or less, by every small country on the Pacific rim of Asia.

U.S. relations with the Republic of Korea have changed over the last decade. For years, the South Koreans stood at the top of our list of developing nations entitled to special economic and trade support from the United States. Now they are not on that list and, as one might expect, they are raising more questions about our military presence on the Peninsula. The ROK is still not positioned, however, to deal with a threat from the North that involves Soviet or Chinese support.

## THIRD WORLD CONTINGENCIES

Turning to the Third World, our global military strength is paying dividends. Soviet forces have come out of Afghanistan. Vietnam is tiring of its role in Cambodia. The Angola-Namibia problem may be reaching solution. Libya has failed to expand its frontiers at the expense of Tunisia and Chad. The Iraq-Iran war has wound down. A comfortable supply of oil is flowing out of the Persian Gulf.

It is premature, however, to conclude that the Soviet Union will stay on a peaceful course in developing parts of the world. While presently concerned about the cost of exporting revolutions (deliberate subversion), the Communist Party remains politically committed to the moral and material support of "wars of national liberation." More importantly, the Kremlin has been very loose in the application of this term to regional conflicts.

Further, Moscow has told some of its proxies that this is not the time for conflict, suggesting tactical rather than strategic advice. Even Gorbachev seems reluctant to wind down arms shipments to Nicaragua and to further the cause of peace in Central America.

In the long run, Soviet behavior in the Third World may depend partly upon the success or failure of Gorbachev's effort to overhaul and revitalize the Soviet economy. If he fails utterly in this task, Party "hawks" may be sorely tempted to challenge the West across a broad spectrum of issues.

Other problems in the Third World arise from radical regimes anxious to expand regional power and influence at the expense of moderate pro-Western governments. In the process, these regimes have no trouble acquiring such offensive military arms as tanks, aircraft, mines, ballistic missiles, chemical weapons--even nuclear technologies. There is no quick or easy way to stem this tide.

More often than not, we are looking at a crisis building up, winding down, or simply waiting to happen somewhere in Asia, the Middle East, Africa, or the Caribbean Basin.

### SECURITY ASSISTANCE

Given this array of problems, I would much prefer to see a larger military assistance program designed to help people with the will and manpower but not the resources to defend themselves.

Today, however, many Congressional leaders are concerned about the Third World debt crisis. In their view, our foreign aid program should focus primarily--if not exclusively--on financial and economic assistance. If this is the wave of the future, then we will have to rely more on our own combatant forces to keep the Third World on an even keel.

ROLE OF U.S. FORCES

As last year's bipartisan Commission on Integrated Long-term Strategy noted, we should be prepared to use our armed forces in the Third World without engaging them in a major or protracted conflict.

A supporting principle can be found in the military classics. As Clausewitz put it, armed forces occasionally must be used in peacetime to "prevent the trembling military balance from turning to our disadvantage and the half war from becoming a complete one." This principle genuinely describes what we have tried to do with our general purpose forces in the years since World War II.

The difference today is that Congress expects the President to deal with Third World contingencies quickly and effectively, without losing American lives. Given these inflated expectations, nothing will substitute for forces and people of exceptionally high quality--and even then, it can be a very tough act to put together.

AVAILABLE FORCES

At the moment, we have forces sufficiently mobile and flexible to deal with a wide but unpredictable range of Third World contingencies--that is, carrier battle groups, rapid reaction tactical air units, airborne and light infantry divisions, special operations forces, strategic airlift, and amphibious shipping. Largely, these forces are based in and supported from the United States.

We do have some force employment problems. NATO planners much prefer that we keep our naval forces in the Atlantic and Mediterranean and our CONUS-based tactical air forces on a tight leash to reinforce Western Europe. We cannot do this, however, and utilize such forces as required to deal with crises or conflicts in Southwest Asia or less developed parts of the world.

When it comes to ground force structure and employment, we must consider varied terrains of the Northern and Southern Hemispheres. We need tank divisions capable of fighting on the Central Front of Europe, but we also must have lighter units able to maneuver in mountains, rivers, swamps, or tropical forests--and to fight in extremely cold or hot weather. In a fiscally constrained environment, it is not easy to keep the necessary balance between forces for NATO and forces for other parts of the world.

We must consider as well capabilities to deal with more than one crisis in the Third World. During operations in the Persian Gulf, for example, our deployable C3I assets were stretched very thin. We would have been hard pressed to deal concurrently with a major contingency in the Mediterranean or the Caribbean Basin.

Overall, the President is challenged to deal with security problems in the Third World without leading our nation into war and without paying tribute to regional troublemakers. Today, it seems, we are constrained as well from providing more military assistance to friends and allies burdened by external debt. In this situation, our best--indeed our only--strategy is to deter those inclined to engage in terrorism, subversion, or greater forms of aggression.

## CONCLUSIONS

To sum up, America will enter the 1990s spending little more than five percent of gross national product on defense. This is a modest investment of resources, considering the size of our GNP, international conditions, the military threat, and our global interests. Every day, our nation benefits from a military establishment respected by friends and allies alike.

The international climate is better today than it was in the early 1980s--notably in relations with the Soviet Union. Our policy of "peace through strength" has been instrumental in producing these developments and will most likely play a critical role in shaping future actions by the Soviet Union.

Notwithstanding a Soviet Union in domestic crisis, I find more continuities than changes in the essential elements of Soviet military power. Even after military reductions announced by Gorbachev, the USSR will remain the largest and most heavily armed nation in the world. In turn, U.S. and its allies must try to render this power less coercive, less offensive, and less dangerous to themselves and to the world at large. To relax now would be a mistake.

In the last four years, we managed to cut real spending for defense by 11 percent and still maintain a reasonable balance between our various global responsibilities. Today, however, our combatant forces are tightly stretched. They cannot be strong everywhere at once in peace, crisis, or war.

The military risks associated with a forward defense of Europe and Asia are higher than the Joint Chiefs of Staff would prefer. Yet, we are challenged as well to maintain a credible nuclear deterrent, a secure position in space, a healthy maritime environment, and strategically mobile forces capable of dealing with crises or contingencies in the Third World.

Granted, some of our allies "could" spend more for defense, but few are inclined to do so. Moreover, the political web of burden sharing now extends beyond the military sphere and includes efforts to keep world financial markets on an even keel and provide more economic assistance to countries in the Third World. All of these initiatives have a cost in dollars, marks, or yen.

At this point, we cannot get more defense for less money. With the fiscal guidance provided by President Bush, we can move into the next decade with much of the military strength we have today. Granted, we may have to ease toward a smaller conventional force, but this will occur in a gradual fashion--not as a precipitous decline apt to undermine our alliance relationships, reduce our leverage in arms control negotiations, or cause extreme turbulence within our military establishment.

At any level of spending for defense, we must maintain a high quality force--the backbone of our military strategy, our strongest card in crisis management, and the best hedge we have against uncertainties surrounding the evolution of Soviet military power. Quality requires more than exploitation of advancing military technologies. We must as well nourish the everyday excellence of our combatant forces and people.

Chairman NUNN. Thank you very much, Admiral Crowe.

Senator Cohen, I know you have a time constraint.

Senator WARNER. I would be prepared to yield to him, Mr. Chairman.

Chairman NUNN. I would be glad to do so now, too, and let him take his turn right now. Then we can come back to regular order.

Senator COHEN. Thank you, Mr. Chairman and Senator Warner, and thank you, Admiral Crowe.

On page 8 of your statement, and you summarized this in your oral testimony, you mentioned that "Soviet military planners have no choice but to assume that we are going to launch these missiles when under attack," namely the Minutemen and the Peacekeepers.

Is that a reaffirmation of the traditional doctrine that we have adhered to, that the United States has a policy of launching under attack?

Admiral CROWE. Not at all, Senator.

Senator COHEN. I will ask you why—or, I will tell you why; actually.

Over the years, we have had sort of a shifting standard, from having enough ICBMs left over to survive a nuclear attack, and then it became one of launch under warning, launch under alert. Then I think the Chairman will recall that we had testimony from, I believe it was General Davis, who talked about "prompt launch." I had never heard that phrase before, "prompt launch." I didn't know quite what it meant. I still do not.

I was wondering what you were referring to here in terms of "launching under attack."

Admiral CROWE. The purpose there was really not to refer to our own policy at all, but to remind people of the kinds of things that go through a planner's mind. For example, the Soviet Union has said on more than one occasion that they do have the capability themselves to launch under attack.

I think a prudent military planner, who was attempting to lay out such a strike, would, of necessity, be rather conservative. This would run through his mind, and he would certainly take launch under attack into consideration. Despite what we may say in our literature, our testimony, and our statements, and so forth, he would say the capability to launch under attack is there and we have to assume that it would happen. That is the way military planners function. But I think in our debates, we often lose sight of that fact.

Senator COHEN. I would like to turn just for a moment to counter-narcotics efforts.

I have talked to a number of current military personnel and former military personnel, who have been to Latin America. They think that our anti-narcotic effort is badly flawed, to say the least, that we are treating narco-terrorism and insurgency more as a local law enforcement effort, and that we are, in fact, discouraging perhaps the most capable forces from dealing with narco-terrorism, namely, the militaries in Peru, Colombia, and Bolivia, from actively engaging in trying to eradicate it or control it.

I read a statement by Attorney General Thornburgh, I believe last November, which was quoted in the New York Times. He said, "The outlook is very bleak. They simply do not have either the tradition or the capability to approach law enforcement in the terms that we are used to thinking of in the United States."

There was not a note of irony in that particular statement, but I find a great deal. It seems to me ironic that we are asking the very badly under-funded police forces in a country such as Peru to do what we cannot even do in our own capital, in terms of having local law enforcement officials deal with a narcotic problem that is resulting in acts of terrorism.

The question I have is this. Would you think that the involvement of Communist insurgencies in the various countries that we see now in Latin America would require more of an effort on the part of the military in those countries, and should we be encouraging that from our point of view, as opposed to simply leaving it to the local law enforcement officials?

Admiral **Crowe**. Well, I strongly believe, given the desperate circumstances and straits that some of those countries find themselves in, that they should be using every resource they have, Senator. I think the military in a South American country historically performs a little different function than it does in our own country, and that there is nothing inappropriate about this.

On the other hand, this gets me to one of the things that I mentioned in my statement and even touched upon in my summary. If we want things like that and if we want to improve the position of the military in that part of the world, we have to have a more vigorous security assistance program than we currently have.

There are a great many things that we could do, I believe, to improve not only their capability, but their tactics, their doctrine, and their attitudes, so that they can handle the problem with their own institutions, which is certainly the preferable way. But our security assistance programs in this hemisphere, while they have not totally dried up, for all intents and purposes they have.

I don't see how we can approach this situation in a meaningful way without increases in our security assistance. I just plain do not.

Senator **Cohen**. One final question, Mr. Chairman.

This committee has been particularly concerned about drawing distinctions between conventional and unconventional capabilities, low intensity conflict, and, in fact, did push through a concept to create a position within the Pentagon and even in the NSC, a position to deal with this.

I would like your opinion as to whether we should, in fact, draw these distinctions between conventional and unconventional, whether or not we should have different strategies, doctrines, tactics, and organizations to distinguish them. Also, tell us what your view is about our capabilities today to deal with unconventional warfare, low intensity conflict, and that sort of thing.

Admiral **Crowe**. First of all, I think it is clear that a great deal of effort has been put into trying to define low intensity conflict, as opposed to conventional war. I think that is a worthwhile exercise, particularly for the military, when they start trying to build capabilities and to invest moneys and funds and develop tactics.

I believe that exercise can be overdone. Clearly the boundary between conventional warfare and low intensity conflict is a murky one, and it is going to be fuzzy no matter how many times we discuss it or how many conferences we hold or how much we define it. That, pretty soon, becomes a rather sterile exercise.

On the other hand, increasing our capability—I think the best way to look at the problem is not so much to have a fool-proof definition, I am not sure that such a thing exists, as it is to use examples of what we are talking about. Clearly, there are certain things, like insurgencies, low level dissidence or terrorism that fall on the LIC side of the line, and those are the kinds of things we should prepare to deal with.

Senator COHEN. Are we prepared to deal with them? What are our deficiencies?

Admiral CROWE. I think our capability militarily in certain areas has grown considerably and that we are doing a great deal better. But if you look at low intensity conflict in many of the examples, in the macro sense it involves a great deal more than military or the ability to just project military power. You cannot deal with some kinds of insurgencies or movements unless you have a coordinated scheme that talks about social problems, economic problems, governmental ability to deal with them, to strengthen the government, to strengthen the police enforcing mechanisms, which you mentioned a moment ago. It has to be an all-encompassing approach.

No, we are not doing as well at that as we should. We are working hard at it, and I think the strategic review, which is currently in process, will, among other things, a great many other things, speak to that and try to improve our status and our position.

But we have an awful lot of work to do to be able to approach that in a coordinated, meaningful, and effective way. I do think that that is going to be one of the major challenges, if not the major challenge of the next decade.

Senator COHEN. Thank you, Mr. Chairman, for yielding.

Chairman NUNN. Thank you, Senator Cohen.

Senator Cohen, the question you asked is one that has been of deep concern to me over the years—whether we are moving more and more, instead of having the option of launch under attack, to a posture where it no longer is an option, but it becomes more and more a reality. I think we have always had that option. We have always reserved that possibility, and a Soviet planner always had to assume that that might happen.

I think that as long as that is part of deterrence, the fact that we might do that is a part of deterrence.

On the other hand, if you get a false warning and then you are confronted with doing that, or possibly taking a chance on losing your land-based systems, then it no longer is a matter of deterrence; it is a matter of mistake of unprecedented and monumental proportion.

I think, Admiral Crowe, you deal with that. This is the first time I have seen you say this, though you may have said it before. I think you deal with that rather effectively in your prepared statement on the bottom of page 7. It is right on the point that Senator Cohen was driving toward. You say,

> The strategic debate focuses as well on ICBM modernization. Unless based in a hardened silo or on a mobile launcher, the ICBM can be vulnerable to a first-strike. If launched under attack, it is not recallable.

We often do not think through that one. But that is enormously important, when compared to bombers, or compared to submarines, which are out there, where we do not have to make an instant decision with them. Of course, those missiles, if launched, also are not recallable. But you can wait a lot longer to launch them.

Continuing to quote you:

> These characteristics draw attention to the possibility of ambiguous indications and warning of a large-scale attack on the United States or on the Soviet Union. In this moment of apparent crisis, either side would be confronted with the dilemma of having to "launch or lose" its ICBMs.

This is a point that I think comes to all of our attention here. You say, continuing to quote:

> The Soviets seem better positioned with their mobile ICBMs to wait it out. Whether they could actually do so is an entirely different matter.

That is the key to what an awful lot of us are thinking through. I know that you all are——

Admiral CROWE. We're trying to.

Chairman NUNN [continuing]. In terms of both our strategic force posture and our arms control position. Both of them have a direct impact on that.

I think we have a tremendous opportunity here, but also a chance to really blow it if we are not careful about both our strategic decisions and our arms control.

Admiral CROWE. Of course, Mr. Chairman, I think there is another factor that we should keep in mind. Just by the nature of the contest or the debate, we seem to focus on land-based mobiles, as opposed to land-based silos, et cetera.

We have a considerable capability, though, already invested in mobile missiles at sea, which are there all the time in some numbers. We are not totally defenseless in the mobile business.

Chairman NUNN. I agree with you completely.

Senator COHEN. Mr. Chairman, if I could just respond, part of the problem has been, I think, over the years, something of an inconsistent policy on our part. On the one hand, when the Soviets had only their SS–18s and posed a significant threat to our land-based systems, we said gee, you ought to get rid of those SS–18s and perhaps go mobile.

Now that they have gone mobile, we have an arms control position that says ban the mobiles.

So I think we have to figure out exactly in which direction we want to go. It seems to me what we ought to be doing is looking at MIRVed mobiles as a much more serious threat than the single warhead.

Chairman NUNN. I agree with you, too.

I think if we are going to make a rational decision in arms control, we have to have a strategic vision of what we are going to do with our own forces. To have a strategic vision of what we are going to do with our own forces, we have to have some kind of understanding of what we are seeking in terms of stability and arms control.

I don't know that we have either one, now. We are kind of caught in the middle.

It is a real dilemma that the Soviets, whether on their own or coincidentally, or incidentally, have taken the Scowcroft Commission report much more to heart so far than we have. They are going mobile like mad, while we are sitting over here, unable to make a decision, and having a provision in the arms control negotiations that is directly contrary to the whole Scowcroft thesis, that was endorsed by everybody, including the administration and most of the people in the Congress.

Well, that is for another day.

Down at the bottom of page 8, Admiral Crowe, you say, and I will quote you again:

> Everyone must understand that we currently are living with an offensive-dominated situation. Even if we wanted to shift more resources into a defensive posture, we cannot stop investments in the modernization of our ICBMs, strategic bombers, and ballistic missile submarines.

I gather from what you are saying there that no one should get the idea that SDI is going to replace offensive forces. Is that a fair reading of that statement?

Admiral CROWE. Well, or even arms control negotiations.

What I was really talking about was a successful START agreement, Mr. Chairman.

Chairman NUNN. Neither one is going to replace offensive modernization.

Admiral CROWE. Well, certainly START is not. They, of course, are doing it. Despite some of the Soviet rhetoric, we are continuing to see modernization across the board strategically.

Chairman NUNN. You are basically saying both.

You say here,

> Even if we wanted to shift more resources into a defensive posture, we cannot stop investments in the modernization of our ICBMs, strategic bombers, and ballistic missile submarines.

Then you go ahead and say,

> With deep reductions associated with START, such investments will become more, not less, important.

What you are saying is neither defensive deployments nor arms control.

Admiral CROWE. Certainly not in the foreseeable future, Mr. Chairman.

Chairman NUNN. And how do you define "foreseeable future?"

Admiral CROWE. Well, it's sort of like between a low intensity conflict and a conventional war. It's sort of murky. I don't do very good seeing 1 or 2 years out there, but I'm talking in terms of 10 years.

Chairman NUNN. Let me get your view, generally, and my time will expire in a minute. But I would like to get this question in.

You have had a lot of experience in dealing with the Soviet military now, more than any Chairman of the Joint Chiefs probably that we have ever had in an active role as Chairman. You spent a long time with Akhromeyev before he retired. I know that you had a lot of conversations with him.

What is your best estimate of the Soviet reaction to Gorbachev's plan and announced unilateral cuts in Europe, as well as on the Chinese border?

Admiral **Crowe**. Mr. Chairman, I would vastly prefer to talk about that in closed session, if I could, at least if I am going to express some of the personal exchanges that we had, and so forth.

Chairman **Nunn**. All right.

Is there anything that you can tell us in open session about that?

Admiral **Crowe**. Well, my general view, and I do not pretend to be an authority on the Soviet Union, is that there is probably more agreement within the Soviet military with what Mr. Gorbachev is doing than many of our own people are inclined to credit.

Obviously there is some opposition among the Soviet military. But I think in the more sophisticated leadership, they have come to the conclusion that their future, as well, rests on the success of some of these initiatives by Mr. Gorbachev, including that to ultimately carry those out and make them successful, they have to live with some near-term reductions, and that they are prepared and willing to do that.

Chairman **Nunn**. As the price for modernization?

Admiral **Crowe**. That's the way they look at it.

Now, whether it will ultimately play out that way, that is another question. But I think that certainly an important element of the leadership believes that. Yes.

Chairman **Nunn**. Thank you, Admiral Crowe. My time has expired.

Senator Warner.

Senator **Warner**. Thank you Mr. Chairman.

Admiral, you are a bit modest on your credentials with respect to the Soviet Union.

Are you at liberty to reveal some of the comments you made to me last night about your forthcoming plans this morning? I think it would be of great interest to the committee.

Admiral **Crowe**. Well, I can speak to what I know about them, Senator. I do have a trip to the Soviet Union planned in June.

Senator **Warner**. This would be the first trip by a Chairman of our Armed Forces to the Soviet Union.

Admiral **Crowe**. Yes, that is true, Senator. I am basing all of this on the assumption that the administration will permit me to go.

Senator **Warner**. That is the point I wanted to raise. I believe it is a very positive development. It is one that has been advocated, indeed by this committee—more exchanges between our senior military officers in terms of visits and meetings with the senior Soviet military.

So I commend you on your offer to make this trip and I am hopeful that the President and the Secretary of Defense will so see it.

Admiral **Crowe**. My host will not be Marshal Akhromeyev, who is now in a different position. He is a Special Adviser to the General Secretary.

It will be General Moiseyev, who is now the Chief of the General Staff, who I do not know personally, but have received a number of letters from him, primarily regarding this trip.

Chairman **Nunn**. I share the sentiment expressed by Senator Warner. I think it is enormously important, the meetings that you have already had as well as the ones that are planned. I think that is very, very important, in terms of its long-range potential.

**Senator Warner.** Admiral, let's look at the broad picture of your role and that of your successor. We have had 4 consecutive years of negative growth in our budget for the Department of Defense. We will receive, I think, in the next 24 hours, the results of the budget agreement between the President and the leadership of the Congress, which, as I understand it, was reached last night. I understand that it is probably the fourth consecutive year of somewhere between a 1-percent and 2-percent negative real growth.

Now, at some point I believe, and I ask whether or not you concur in my judgment, that we have to step up and make some substantial changes in our force structure.

Given that we have a new President, a new Secretary of Defense, and this administration is making its first in-depth study of the strategic posture of this Nation, it is not likely that we can do it in this budget cycle. But most certainly, unless there is some dramatic change in the fifth year, we will have to make those decisions in the coming budget cycle, that is, not the one that will be delivered by the Secretary and yourself here in the next weeks, but subsequent thereto.

Nevertheless, we have to start some of our planning and our thinking.

The first question is do you agree with me that we have to begin to make some reallocation in our force structure if we are to be confronted with the fifth consecutive year of either negative or flat growth?

**Admiral Crowe.** Well, I don't want you to get me in trouble here, Senator. I don't want to preempt the Secretary of Defense in any way. He is already grappling with this question.

I want to stress that the Secretary of Defense is in control.

**Senator Warner.** Oh, yes, I understand that. [Laughter.]

I had an opportunity to discuss this very subject with him here in the last 24 hours.

But we are asking for your personal views. As you know, during the course of the confirmation proceedings for yourself and other senior members of the military, commitments have been made by senior officers that they would provide this committee with their personal views when solicited.

I am now soliciting that view.

**Admiral Crowe.** Well, already the Secretary of Defense is facing some gut-wrenching decisions on the budget. There is not any question about that.

If, in fact, we have the declining trend, which you have talked about and which was discussed in the paper this morning, this is going to be a tough, tough budget for the Defense Department. It is going to require some reductions in some of the pillars. Whether they will be force reductions or not at this early stage remains to be seen. We are grappling with it now, and the Secretary will be making some decisions in a few days that address this.

Over the long-term, the Chiefs have testified consistently, and I have as well and we have advised the NCA that if this deficit growth continues, there is no alternative but force reductions.

But, probably these kinds of budget reductions cannot all be absorbed even by force reductions. There will be cutbacks in modernization and our readiness and sustainability will ultimately suffer as well.

You just cannot stay on a downward trend like this and have the defense you have today. It is as simple as that. And there is no way that you can have more defense for less money. I don't care who argues to the contrary.

My father used to tell about the man with the medical prescription which said take one pill twice a day. The man said that that can't be done. [Laughter.]

That's the way this is.

Senator WARNER. Well, now if those reductions in the out-years result in less emphasis on what we have heretofore relied on as a forward deployed strategy with static ground forces, would that not cause a shift toward an emphasis on the ability of this Nation to redeploy those forces which are here in CONUS, thereby putting a greater emphasis on sealift and airlift.

Admiral CROWE. That is a very real alternative, Senator, and certainly one that will be considered.

Secretary Cheney said everything is on the table, and we are going to have to do our business in a different way. That is a very real possibility.

Senator WARNER. So we can possibly look to the future as placing a greater emphasis on the ability of this Nation to keep open the sealanes with our naval forces and, indeed, the ability to have greater airlift capabilities.

Admiral CROWE. I think if you get into the reduction business in a meaningful way——

Senator WARNER. We are in the reduction business, Admiral. We are in it.

Admiral CROWE. I repeat, Senator, if we do that, there is no question that the emphasis on sealift and airlift will be increased. It is one of the anomalies that if you come back from your forward deployed posture, the emphasis and priority of sealift and airlift goes up, and mobility.

Senator WARNER. One last question.

Admiral CROWE. Incidentially, that is not cheap.

Senator WARNER. A great deal of required emphasis is now being put on the drug problem. Senator Cohen raised it.

I have been concerned about the employment of our Active Duty Forces and Reserve and Guard.

Would you acquaint us with your present thinking on those subjects?

Admiral CROWE. In regard to?

Senator WARNER. To the increased use of Active Duty Forces and the increased use of the Guard and Reserve in assisting other Government agencies and departments in the enforcement of the drug laws.

Admiral CROWE. Well, we are exploring ways now rather vigorously to see how we can participate, and I do not have any emotionally deep-rooted aversion to that. If there are ways that we can contribute, I think we should. They should be meaningful ways. I don't want it just to be a cosmetic proposition.

Certainly, as some of the more dramatic recommendations have been to deploy them overseas and so forth, I think first of all, it has to be well considered, and, of course, even more importantly, it has to be at the request of the foreign country. We just cannot do it any other way.

I am sure that there are some of our more aggressive people who are involved who would like to do it whether a foreign country wants it or not. But that is not practical.

Senator **Warner**. My time is up, Mr. Chairman.

Senator **Exon** [presiding]. Thank you, Senator Warner.

Senator Glenn.

Senator **Glenn**. Thank you, Mr. Chairman.

Admiral, I do not disagree with much in your whole statement. I thought it was an excellent statement. There are a couple of details that I would like to get into a little later, if I have time. But I am concerned about considering a little bigger picture in a different light.

We agree pretty much on what we should do. But I am concerned about what we can do with the changing public perception that is going on, and that is here and among our allies. I addressed this at the Wehrkunde Conference and created a little mini-firestorm over there this year, with people who took exception to some of the things that I said.

But the polling and things like that are there. Even in our Armed Forces Journal, a statement was made, referring to Gorbachev, that he did in one speech what several trillion dollars of NATO defense investment have not been able to do. He radically reduced the Western perception of a Soviet conventional threat, and in the process he undercut the plausibility of required NATO force improvements more effectively than a battalion of budget cutters and burdensharers, and did it before removing even one weapon.

Now, I don't know what the public is going to support and what German public opinion will support, and so on. But I know what some of the figures that I had from polling done at that time say.

In 1980, 71 percent of the German people felt the Soviets were definitely a threat.

In November of last year, 80 percent wanted all nuclear weapons out of Germany; 75 percent said they now trust the Soviets; 50 percent had a negative attitude toward U.S. policies.

Those were some of the irritants that General Galvin has pointed out in times past. The German Republic is the size of Oregon. They have conscription. They live with some 400,000 United States and other foreign troops on their soil. There are 5,000 exercises per year in that limited area. They have a problem with aircraft low-level training.

The opposition party over there now reflects those concerns. That is what they are hanging their hat on and getting a lot of support on.

So, the same thing is changing opinion in our own country, to some extent, and in the U.K. and some of the other places.

I know that, as Chairman of the Joint Chiefs, you follow these trends very carefully, these changing winds. And so, I am concerned about what we are going to be able to do, what our people will support with this changing attitude, as opposed to what we should do.

Do you have comments on that? That is more of a statement than a question.

Admiral CROWE. Very clearly, Senator, I am equally concerned. That, in a certain sense, is the biggest, most worrisome part of my job, to make sure that when people do decide these things, at least they do them in an informed way. I feel that responsibility vis-a-vis the Congress as well.

Mr. Gorbachev is an astute politician. He has been very clever, and, in my view, probably been very successful.

I think in most of the things that he is doing he is making a virtue out of necessity. He is doing them for other reasons—to improve his economic position, to increase his own latitude, to change his country, et cetera. But, while he is doing them, he is making international capital out of it.

I have spent some time this week on public opinion polls in Western Europe. What you say is true about the rising level of objection to some of our exercises, our low-level flying, et cetera.

But, in general, the polls are very interesting. In general, their regard for the United States, their admiration of our President, their closeness to the United States, these have not gone down in the polls. What has changed is that their regard for Mr. Gorbachev has gone up.

Now, there are some exceptions to this country by country, and some anomalies. But, in general, that characterizes most of Western Europe.

Curiously enough, I often read articles that say, well, the popularity of Americans is crossing with the Soviets, and we are going down as they are going up. But that is not exactly right.

But their view toward the Soviet Union as being less offensive, less threatening, certainly is moderating and attenuating.

It is a little presumptuous, but I would suggest that the problem of people in the Government, including the U.S. Congress, is to take the actual facts to the public and to make sure that the public, before they exert all of this pressure, at least has an opportunity to know what is going on, and that the rhetoric of Mr. Gorbachev is not, as yet, a fact; that we are just talking about pronouncements, grand promises, et cetera. Whether they are going to materialize or not, remains yet to be seen.

Certainly they are significant initiatives, and I think they are encouraging. We hope they do take place. And if they do, we do not keep a military just to keep a military. The military should be geared to the threat. It should be geared to our objectives, and if the threat lessens, why, of course, our military should gear down accordingly.

We are not at the point now where we are dealing with a new Soviet military establishment. All of these promises do not touch strategic weapons, they do not touch space, they do not touch his naval forces, and they leave ground forces at some 4.6 million men, and still fantastic superiorities in every major category of conventional weapon systems in the hands of the Soviets.

If that government changes, they have the capability to change a lot of things and to do things, even if Mr. Gorbachev's promises take place.

To ignore those facts seems to me to be folly. But it would not be the first time that democratic countries have ignored the facts.

Senator **Glenn**. I agree with everything you say in that regard. But what we are going to be faced with here in just a few weeks is voting probably on some reductions of one kind or another.

I noted in your more lengthy statement, the one you submitted in advance, on page 14 this portion of a paragraph appeared: "At this point, we cannot get more defense for less money. With the fiscal guidance provided by President Bush, we can move into the next decade with much of the military strength we have today. Granted, we may have to ease toward a smaller conventional force, but this will occur in a gradual fashion, not as a precipitous decline apt to undermine our alliance relationships, reduce our leverage in arms control negotiations, or cause extreme turbulence within our military establishment."

We have been trying to build up our conventional forces. That is where we have felt that we were the weakest. I was a little surprised at your statement there.

We may be faced in a few weeks, in this committee, sitting in this very room, trying to decide some very tough questions of what programs we cut and what we do not cut.

Admiral **Crowe**. That's true, Senator.

Senator **Glenn**. That is going to be tough to do. I can tell you that.

Admiral **Crowe**. You don't have to tell me that, sir. I am well aware of that.

Senator **Glenn**. Yes, I know you are well aware of that.

Do you have suggestions? If you are saying here that we may have to ease toward a smaller conventional force, can you give us some guidance as to where our cuts should occur?

Admiral **Crowe**. Well, I think it is a little premature for me to do that, sir. The budget has not been formulated.

As I mentioned earlier, we are grappling with some rather momentous decisions right now in the Pentagon. Secretary Cheney is in the unenviable position of being brand new to his office and still facing some of the most momentous budget decisions that any Secretary of Defense has faced now for several decades.

I do think that I can say a few words about how I would look at this general problem if that would help you some.

Senator **Glenn**. Fine.

Admiral **Crowe**. Certainly, given the current state of play in our strategic negotiations and so forth, in that it is the cornerstone of our entire military posture, I would just inevitably say that our first priority must be to keep our strategic deterrent healthy, modern, and updated. We have no choice about that, no matter what the size of our Armed Forces.

Second, our most precious resource is people. We have gone to a great deal of effort, and we have been remarkably successful in improving the quality of our personnel. It is there, and to jeopardize that by taking cuts in amenities, et cetera, and to risk the loss of the quality of our people, I would much rather have smaller Armed Forces and retain quality people than vice versa.

When you go from small to large and expand, you necessarily use the cadre that you have in place. If you have good people in place and they give you the seed around which to expand, then your expansion will be good.

If you have poor people when you start, your expansion is going to be poor. And we just cannot afford that.

My judgment is it would be a serious mistake to risk the quality of our people. It takes too long to build up and it is too important.

You know, lots of armies have won battles with good people and poor equipment, but very few armies have won battles with poor people, no matter what the state of their equipment.

I would stress that as a very high priority. Within those constraints, why, of course, I would like to see the readiness of our forward deployed forces maintained. And I would like to see whatever we do put into procurement and modernization done in an economic and well managed fashion.

Those are very general priorities and I don't know that they are very helpful to you. But that would be my macro view of how we should approach these coming decisions.

Senator GLENN. My time is up, but I don't know how we address this changing public opinion. I don't know whether we need a great public relations effort or something.

But I think that may well wind up dictating what we and our allies do, and I do not think that should be the driving factor.

Admiral CROWE. Senator, in my own lifetime I recall, and, of course, you all do as well, when World War II was over, the tremendous public pressure that built up in this country to demobilize, and to demobilize precipitously, which we did. In retrospect, it was a terrible mistake, in foreign policy and in military policy.

But public opinion ruled and dominated, as it should in our country. I have no quarrel about that. But I do say that that was a mistake, and that leadership, I think, should keep that in mind.

It is up to the leadership to try to put forward, to put in front of the people of this country, what is the wise thing to do. Whether we do it or not is another question.

Senator EXON. Thank you, Senator Glenn.

Senator Gorton.

Senator GORTON. Admiral, perhaps I can follow up on exactly the subject Senator Glenn was asking you about.

You have said that whatever the budget has for you, we must keep our fundamental strategic deterrent. That is your first priority.

You said that your second priority is to see to it that you do not lose the fine, high quality, high morale people you have in the armed services now, by cutting back on their amenities of lifestyle.

You have also emphasized strongly in this written statement the necessity for modernization. Does that not inevitably lead to the conclusion that with this budget agreement which has been announced here, with the real growth of minus 1 percent or minus 2 percent, that the great bulk of these cuts are going to just come strictly out of readiness?

Admiral CROWE. Well, I don't know yet, Senator. There are going to be cuts, and all of those priorities are not going to be honored the way I would prefer them to be because we are just making slashes that are that deep.

Senator GORTON. But at least from your point of view, from your perspective, as you dealt both with Senator Glenn and with me, we absolutely, fundamentally, no matter what that budget number is, must maintain a modern, viable, and believable nuclear deterrent.

Admiral CROWE. That is my view, Senator.

Senator GORTON. And the quality of the structure, the quality of the people, the morale of the people who are in uniform, and, for that matter, out of uniform in the Defense Department, ranks right after that, in your view?

Admiral CROWE. Yes, it does.

Now, please bear in mind that, whether I like it or not, morale is sometimes connected with how much money is spent on defense, and people are impacted by that. When you make large cuts in the defense budget and so forth, people ask themselves is there a future in the military, what does this mean to me? It is difficult to maintain high quality people and to attract people in a military that is steadily decreasing in size. But I think we should attempt it. We should attempt to keep the best people that we possible can attract.

Senator GORTON. I want to move to another, though obviously related, subject.

Admiral, do you regard the present balance of forces in Europe, on the NATO side and the Warsaw Pact side, both from the perspective of numbers, equipment, deployment, and the like, as being satisfactory—I am speaking about the present, about both sides—from the point of view of the security of the United States and our NATO allies?

Admiral CROWE. Well, I would like to say two or three things, Senator.

First of all, I could really address this question in a much more satisfactory way in a closed session.

Senator GORTON. Well, hasn't it been really quite the open view of the United States that there is a disproportion of forces in Europe?

Admiral CROWE. Yes, and I intend to go to that. But, as I say, I can do it in a more detailed way and be much more candid about it.

I think, second, it is important to recognize that, for whatever reason, our posture in Europe—and I served in Europe, I was the Commander in Chief of the southern flank for 3 years—has been successful in deterring.

Now, whether that is due to our European presence or military strength or some other factor is an open question. But the fact remains that it has been successful.

Then, last, the Chiefs of Staff have testified for many years now in an open session that they are not satisfied with the balance in Europe, and that our deficiencies there are much larger than they would like or prefer, and that that is the prime weakness in the total military balance, and in our Armed Forces and our ability to fulfill this assigned mission.

Europe is the biggest problem we have.

Senator GORTON. Will you regard that balance as being satisfactory, or at least more satisfactory, if the initial position of the United States and these conventional disarmament talks of a cut to a point of 5 percent less than NATO has now on both sides were accepted and implemented?

Admiral CROWE. Well, I would welcome that, Senator, very much.

Senator GORTON. Would you regard the security of ourselves and our NATO allies as being satisfactory and sufficient if the net result were a cut of 25 percent to 33 percent below our present force structure on both sides of the equation?

Admiral CROWE. Instinctively, I would.

On the other hand, I must tell you that we are analyzing that now with some haste. I do not mean a hasty analysis here, but we are looking at it with some urgency, and we are trying to analyze just exactly what that kind of cut would do to us and what it would do to our current strategy.

My own intuitive view, though, is if we can get the Soviets to come down to an equal level with us, certain of those points would require a change in strategy. We are certainly imaginative enough and flexible enough that we could accommodate that and protect ourselves, and that that would not alarm me.

Senator GORTON. And, therefore, it would be better than the present situation?

Admiral CROWE. Oh, yes. No question about that, in my view. There is some controversy about that, though, Senator.

Senator GORTON. We recognize that because we have had some of that controversy here. But I was most interested in your views on that subject.

Thank you, Mr. Chairman.

Senator EXON. Thank you very much, Senator Gorton.

Admiral, I want to join in complimenting you for a most excellent statement, and I am also hopeful that you can complete your proposed trip to the Soviet Union. I think it is an excellent idea, and I join in saluting you for that initiative.

Let me get into some of the details and maybe of some of the decisions that you are being asked to make to the new Secretary of Defense. Let me focus on the issue of strategic warning.

Can you conceive of a scenario in which a crisis of major proportion goes from zero to an international nuclear war or a potential war in a matter of only 4 hours?

Admiral CROWE. Well, I confess to a personal bias here, Senator.

I think the likelihood of a nuclear war is very low. I think the likelihood of that scenario is very, very low. At least in my knowledge of the world situation and how military forces are arrayed against each other, and so forth, a bolt out of the blue attack I think is just a very, very unlikely attack.

Senator EXON. I suspect, as always, you are extremely modest. You said that was your viewpoint. I have talked with you and other of the top military leaders over a number of years, in whom I have the highest confidence. Is not the viewpoint that you have just expressed as "yours" generally, if not universally, shared by all of our top military leadership, at least as of this moment?

Admiral CROWE. I don't know, Senator. I would be a little reluctant to make such a sweeping statement.

I would like to elaborate just a little bit.

Of course, my judgment in this regard is tempered a little bit by our knowledge of our warning systems, our intelligence network, et cetera. At the same time, I would not advocate that we be imprudent. I still, I guess by training, subscribe to the whole theory that you do live by worst case scenarios. But, as to likelihood, I would stand by my original statement.

I do think, though, that we should try to hedge in every one of these matters in some prudent way.

When you start reducing funds, however, and particularly when you reduce them sharply, it is more and more difficult to do that.

Senator **Exon**. It becomes a key in other words?

Admiral **Crowe**. That's right.

Senator **Exon**. In other words, if we can't have everything that we would like to have, how do we get the best deterrent for the buck?

Admiral **Crowe**. That is certainly a very important consideration. You eventually just have to make some compromises. You cannot do everything, more and more, with less and less.

Senator **Exon**. I agree completely with what you have just said. That is my personal opinion also. I would just go a little bit further than you.

It is also the personal opinion of many, if not all, of the uniformed military leadership with whom I have discussed this. In fact, those views may be so generally accepted among most of the top military people today that maybe you don't ask each other that question all of the time anymore.

But let's just take a specific example. Since it would take an estimated 4 hours to disperse the rail garrison MX, so it would be widely dispersed, even though let's bear in mind that the rail garrison MX would be a significant deterrent sitting on a military base, we should have adequate time to act. Why do you think so much focus seems to be still prevalent in some circles today with regard to an inordinate concern and, therefore, an inordinate amount of funds being prescribed for systems that would primarily be there to protect against a bolt out of the blue scenario? Do you think maybe some of the think tanks that are suggesting these propositions simply have not wrestled with what you, as the Chairman of the Joint Chiefs, and others in a similar situation, and those of us here, with regard to the budget, have? Are they thinking maybe back in the days of yesteryear, when anything that we thought we'd need or we'd envision, we'd start down the road to procure?

Admiral **Crowe**. Senator, you are dragging me into this argument a little prematurely.

Senator **Exon**. I understand and I apologize.

Admiral **Crowe**. We are doing a review right now to assist Secretary Cheney in making some of these decisions in a review, which I hope will be very comprehensive and very credible. I do credit both sides of this argument with having very legitimate positions. We are trying to analyze them in a very unbiased way, to assist the Secretary.

He is grappling with the very decision you are talking about right now.

Senator **Exon**. My time is up. I just want to add one bit of editorial comment.

It seems to me that some of our people who are very dedicated and respected military planners seem to be overly concerned about the proposition that the President of the United States, whoever that is, and in whatever time, might be fearful or not diligent in his or her duty on sending the rail garrison MX out on the rail system. If that is a fact, and I suppose it is something that could be argued, then it would also be safe to assume that the same President, in the same circumstances, would not disperse our bombers, would not send to sea missile submarines and other ships that we have in port, and do all of the other essential things that have been the key to our protecting of our nuclear deterrent force in case of a legitimate warning for decades.

Admiral CROWE. I don't argue that way, Senator. I would note that we have had in the past a number of crises where we have dispersed, where we have gone to a high state of alert and have dispersed our bomber force, et cetera, et cetera.

Senator EXON. Thank you very much, Admiral.

I believe that Senator Wallop is next.

Senator Wallop.

Senator WALLOP. Thank you, Mr. Chairman.

Good morning, Admiral Crowe.

Admiral CROWE. Hello, Senator.

Senator WALLOP. I want to sort of focus on two things that have been in the questions already. One is Senator Glenn's query about how do we maintain a status of capability in a political environment in which the threat appears to have been eliminated or damaged, to say the least.

I was in Europe, at The Hague, last weekend, at the conference on the 40th anniversary of NATO, and I can tell you that German newspaper reporters, as part of that conference, said that it is absurd in the extreme, that it is laughable, to talk about a threat. My topic was burdensharing, and I was sitting next to the Assistant Secretary General of NATO.

I passed him a note and I said well, you know, if, in fact, there is no threat, then all of us are arguing about sharing a burden that we ought to forget.

He passed on to me a piece of wisdom that I think we, in the political arena, ought to pay attention to. It is this. Threat, in the European mind, in a semantic way, means tanks massed on the borders, movement of troops, threatening postures both politically and militarily.

But he said that if we were to talk about capabilities against which any prudent nation would have an insurance policy, you would get a lot farther in the political arena.

My view is that Gorbachev is not a sudden red rain that has fallen on the Western political arena without any umbrella that we could have had. Lots of his credibility is due directly to the statements of Western leaders about his credibility.

But, as we approach trying to maintain this insurance policy against capabilities, I think we have a better chance.

This brings me to the whole bolt out of the blue question that Senator Exon was exploring.

Again, I guess it is not whether it is likely, but whether it is possible. I think you reflected that in one of your responses.

It is the same problem that we have in the political arena, the threat versus the capability.

If the theory is so generally accepted that it is the common position of all senior U.S. military, then that is a theory that is not news to the Soviets either. If you go back through history, to Alexander the Great and forward, conventional wisdom is the most obvious point of attack; one where you know everybody is so certain that it won't happen, that that is the least likely area where you will find strong and capable preparation.

Admiral CROWE. Incidentally, we have this problem right now, today.

Senator WALLOP. I know, sir.

Admiral CROWE. We have a considerable hedge against that right now, which we will continue to have.

Senator WALLOP. My point is that we should continue to do that.

Admiral CROWE. Yes.

Senator WALLOP. The CIA and the DIA concur and have so briefed this committee that the Soviets have substantially upgraded their ABM capabilities around Moscow and continue to upgrade ABM capabilities on a nationwide basis. They also have reported to us that dual capable air defense missile, the SA-12, has significant capabilities against some strategic ballistic missiles.

The question to you would be how does the military plan to cope with this threat to the viability of our deterrent in the context of the deployment of a thousand or more SA-12s, and our new missiles and aircraft?

Admiral CROWE. Senator, I could talk about that probably a little more helpfully in closed session. We really are getting into some material here that is more appropriate for closed.

Senator WALLOP. Perhaps we will do that, then, later on, Mr. Chairman.

Chairman NUNN [presiding]. There are several questions that have already come up that I believe would be better handled in closed session.

Senator WALLOP. I understand that.

Chairman NUNN. It would be my intent to have a closed session following this open session this morning.

Senator WALLOP. Well, I can assist in that by resisting until we get to the closed session.

Chairman NUNN. Well, whatever your pleasure is on open session questions.

I would like to do as much as possible, as usual, in open. So anything that you have that can go open, I would rather do it that way, and exhaust all those. Then those that need to be answered in closed, we can do then.

Senator WALLOP. Fair enough.

There is one question here that I think is appropriate for open session.

Your testimony states that bombers and sea-based ballistic missiles are not directly sensitive to warning time.

Isn't there a time dimension to the dispersal of nonalert bombers and submarines in a crisis, and isn't the alert bomber force very sensitive to tactical warning time lines, especially those associated with depressed trajectory attacks?

Admiral CROWE. Yes, it is.

Now, of course, we do not consider depressed trajectory a threat today.

Senator WALLOP. Today, no.

Admiral CROWE. There is some considerable concern as to whether it will be a threat in the future. Again, I will address that in closed session.

Senator WALLOP. I am skeptical on that, too. But there is a time dispersal element, isn't there?

Admiral CROWE. On nonalert bombers, and certainly on submarines in port. Yes, absolutely.

Senator WALLOP. It is of some significance, at least, isn't that so?

Admiral CROWE. Oh, absolutely. But our day-to-day capability, which is a matter of predeliberation, is not affected by it. We can certainly react with inside a tactical warning, very easily, for our day-to-day capability, on those two systems.

Senator WALLOP. One last question.

Again, in your statement, quoting from it, you say that "to solve today's problems and invest more in the future, Gorbachev has called for a military posture of reasonable sufficiency. Many of the supporting policies can be seen in force reductions he announced last December and associated changes in military doctrine." That is the close of your quote.

Now, I am familiar with some of the changes in Soviet military doctrine. As the expert witnesses agreed in a hearing last week, what those changes portend for the West remain pretty ambiguous at best.

I am unaware of any Soviet force reductions that have already taken place that would support the announced policy of reasonable sufficiency.

Could you review any of those briefly this morning?

Admiral CROWE. What I meant was the pronouncements did, Senator. I did not mean to imply that the force reductions are there. We are not seeing them as yet.

Senator WALLOP. That is precisely what I had hoped would come out in the open session. That goes back to the start of all of this, that the political credibility of Gorbachev comes from the inadvertent comments that are not completed by leaders political and military in the West.

But the fact is that we have a grand, rhetorical status——

Admiral CROWE. Absolutely.

Senator WALLOP. But not much of a military status.

Admiral CROWE. No question about that.

Now, let's face it. I think, as a practical matter, you are not going to see them right away. Mr. Gorbachev has said he will complete them in 2 years. Marshal Akhromeyev told me it would take 3 to 5.

I think there is a strong inclination, when you want reductions desperately, to say oh, my goodness, first, they are going to happen, and, second, they should have happened by now. But that is not going to be the case.

We are monitoring this very closely. But the fact remains that you are absolutely right. We have not seen any of these changes as yet. We have seen some changes in deployments. We have seen some changes in the mode of exercises, for what little that is worth.

But, as far as the force reductions are concerned, and particularly these production reductions, as far as I know, those are just rhetoric.

Senator **Wallop**. And so far as you know, within the economic restructuring of that country, the one thing that has not changed is the military's dominance of the manufacturing structure.

Admiral **Crowe**. I'm not sure of that, sir. That is probably a better question for a bona fide Soviet authority. But we have had a number of——

Senator **Wallop**. That's an oxymoron in a public session, an art word.

I would rather have your judgment than their rhetoric.

Admiral **Crowe**. Well, I think there is some evidence that the Soviet General Staff does not have the fingertip control that they used to have, and that this has been one of the major challenges facing General Secretary Gorbachev, and that he has started at that point, in order to get control, and he is trying to wrest it away.

Senator **Wallop**. Thank you, Mr. Chairman.

Thank you, Admiral.

Chairman **Nunn**. Thank you, Senator Wallop.

Senator Levin.

Senator **Levin**. Admiral Crowe, first let me add my voice of gratitude to you for your decades of public service. Your years as Chairman have been notable years. I commend you on them.

Admiral **Crowe**. Thank you, sir.

Senator **Levin**. I commend you on the number of creative things that you are doing and have done, including some of the visits back and forth that are being held between you and some of your Soviet counterparts.

You have done really a superb job as our Chairman.

Admiral **Crowe**. Thank you, sir.

Senator **Levin**. You commented on the relative weaknesses that we have in our strategic forces and our conventional forces, some of the things that you would like to see bolstered.

I am wondering if you would tell us whether or not you view that we have greater weaknesses in the conventional area or in the strategic area.

Admiral **Crowe**. Well, clearly, I would qualify everything I say, to repeat a comment I made a moment ago, Senator, and say that I think at this juncture in our history, it is important, whatever kind of military establishment we have, that we have a healthy and credible deterrent.

Now, there is some argument over what that comprises. But right now, the cornerstone of our establishment—I think there is a tendency to talk about successful deterrence in terms of our presence in Europe. But I am not so sure that is right.

I think what has been credible and what has probably been the largest factor in deterring the Soviet Union in the last 40 years has been our overall strength, ranging from top to bottom, and horizontally as well. That is also controversial.

But within that one qualifier about our deterrent, of course I would prefer to see improvements in our conventional posture. I think that raises the nuclear threshold and that that would support strategic arms reductions in a more effective way. I would like to see the prospect of nuclear war diminished, and I mean really diminished.

Right now, the only way to do that is to improve our conventional capability. If, in fact, Mr. Gorbachev makes good on his promises; if, in fact, a START agreement comes to pass; if, in fact, conventional arms talks are successful; if, in fact, the Third World dissidence and instability that we currently see recede; if, in fact, terrorism is no longer a problem and drugs are not a problem, why, then, of course there are things that can be done there.

But that is not the world that I am looking at today. As a military man and as an American, I would like to see the conventional capability of not only our own country, but our allies, built up. Then we would never have the threat of having to use that deterrent.

Senator LEVIN. You made reference a number of times to Gorbachev's announced plans for some tank and troop reductions. At one point in your testimony I believe you said that they were significant initiatives.

Can you tell us in what way, assuming they are carried out, those initiatives that have been announced are militarily significant?

Admiral CROWE. Certainly, from my perspective, the very first thing that you see is his ability to mount the scenario, one of the scenarios we have been most worried about, and that is the bolt out of the blue conventional attack on Western Europe. If he carries these out in the fashion that they have announced, that is going to disappear, virtually.

Now, you can still hypothesize a surprise attack with lots of qualifiers, and if he is willing to accept increased risk, and so forth. But, as a practical matter, I think that that bolt out of the blue, conventional attack, on Western Europe would go away.

That's progress. That is really something. That is significant.

Senator LEVIN. Regarding strategic forces, Senator Exon and others——

Chairman NUNN. Senator Levin, could I interrupt right there, if you would yield?

I would like to underscore that point. Wouldn't it be true that our fondest hope for 14 or 15 years in MBFR, that is, this exceeds even our fondest hope by almost a quantum measure as to what we expected to come out of the Mutual and Balanced Force Reduction Talks that we engaged in for 16 years.

Admiral CROWE. Certainly any practical hope. Yes, sir. And this would have been our number one priority. That is world class stuff.

Chairman NUNN. Thank you, Senator Levin.

Senator LEVIN. Certainly.

It is one thing to say they have not done it yet. That is true. These are still proposals. That is true. But if, in fact, the commitments that he has made are carried out, it seems to me that we at least should acknowledge, as you do, that these are significant military matters.

Admiral **CROWE**. And I look at it that way, Senator. I absolutely do.

Senator **LEVIN**. On the strategic issue, Senator Exon and others have asked you about the bolt out of the blue scenario. I believe your testimony again this year is that you view that as very, very unlikely. That, to you, is exceedingly unlikely.

Admiral **CROWE**. I think it is. Yes.

Senator **LEVIN**. Do you agree that it would also be highly unlikely that we would be the subject of a nuclear attack after we have had some warnings, so that we could generate our forces?

Admiral **CROWE**. Well, I don't think—and this was reinforced by my visit with Marshal Akhromeyev—I don't think that a full-fledged nuclear war is very likely at all. I hope that that judgment is accurate. It may not be.

But I would say that if we ever do get into the unpalatable situation of having to participate in either a limited or a major nuclear exchange, it will probably come out of some conventional confrontation somewhere, that has degenerated and is not going the way one side or the other would like, and the situation escalates, and the tension builds, and then something untoward happens.

Senator **LEVIN**. But apparently some folks think we have to have one or the other. I think you may be in that situation—as between Midgetman and MX.

Admiral **CROWE**. As a military man, I'd like to have everything, Senator. That's not open to me.

Senator **LEVIN**. But as between the two in the past, you have opted for MX mobile.

Admiral **CROWE**. I have in the past when I testified. I must say today that I am not opting for anything right now while we wrestle with our budget constraints.

Senator **LEVIN**. As between the two, has your thinking changed as to which we need more, between MX mobile and Midgetman?

Admiral **CROWE**. It will depend, frankly, on how the budget figures come out—well, not the budget, but our cost figures, which we are redoing right now as part of this review. If they are the same as I have faced in the past, no, my thinking would not change.

On the other hand, there has been considerable movement in some of these cost figures, and that is the main reason for the review for the Secretary, before he addresses this decision.

Senator **LEVIN**. My time has expired.

Thank you.

Admiral **CROWE**. I think all of these systems have considerable military merit, to be frank about it.

Chairman **NUNN**. Let's see. We have gone around once. Everybody has had one turn.

Senator Warner, do you want to go ahead.

Senator **WARNER**. I think we're back to you, Mr. Chairman, and I will follow.

Chairman **NUNN**. All right.

There are some members who probably want to come back when we have a closed session. So I would like to go through all the open session questions, and then have a short closed session at the end of the open one, if we could.

Admiral, does that suit you?

Admiral CROWE. Yes, sir. That's fine.

Chairman NUNN. I would like to ask a couple of questions on other subjects.

You are familiar with the term "competitive strategies," Admiral, are you not?

Admiral CROWE. Yes, sir.

Chairman NUNN. Would you tell us what, generally, in your view that means.

Admiral CROWE. I think, simply put, Mr. Chairman, it means that you try in a thoughtful way to develop strategies that play to your strength and the enemy's weakness. The term has become fashionable lately because I think of a little deeper thought being put into it and projecting the timeframe out in which we are trying to do this, and also the emphasis in the current term, "competitive strategies," is on our technological superiority and how to use that.

Chairman NUNN. Would it be fair to say that beefing up our existing technology weapon systems, precision weapons, surveillance, those kinds of priorities within the budget, has become the focal point, as to whether to put more money in those areas, rather than in other areas?

Admiral CROWE. I think so.

I don't know that I would generalize it so much. The heart and soul in what we are really dealing with right now in competitive strategies is to take that general proposition and then to play it in various scenarios, games, and analyses, to see if the claims that are made for some of those systems are true and which ones are true and which ones are not, to reject the ones that don't show a profit, and try to arrive at some that give us a high return on our investment.

Chairman NUNN. Is that process ongoing——

Admiral CROWE. Oh, yes.

Chairman NUNN [continuing]. Have the Chiefs reached some kind of——

Admiral CROWE. No, sir. It is ongoing.

Chairman NUNN. Do you have any kind of interim observations? Do the Chiefs have interim views on that theory?

Admiral CROWE. We will have something within, I would say, 30 to 60 days.

Chairman NUNN. Some media reports have said several of the Chiefs are very much opposed to what has now become known as "competitive strategies." Is that an accurate assessment?

Admiral CROWE. No, it is not. I don't agree with everything I see in the media, and I certainly don't agree with that.

I will say that the Chiefs' major concern is that the analysis that supports this theme must be defensible and must be credible and legitimate.

This is the reason we are now in the process of playing another game with what we believe are more realistic assumptions, and to make whatever decision we come to defensible. That is what we are doing. It is not a disagreement with competitive strategies.

Chairman NUNN. It's a question to see if the analysis holds up.

Admiral CROWE. That is absolutely correct.

Chairman NUNN. What was your timeframe? Was it another 30 days, did you say?

Admiral Crowe. I think 30 to 60 days.

Chairman Nunn. Some time in the May–June timeframe?

Admiral Crowe. On the first phase of competitive strategies.

Competitive strategies, as a concept, can be applied to everything we do.

Chairman Nunn. It is ongoing.

Admiral Crowe. Yes. We would do it in blocks to see what application it had to everything we are involved in.

Chairman Nunn. Do you think that by the first of June, somewhere in that neighborhood, we would be able to get some kind of assessment from you?

Admiral Crowe. I would hope so. Yes.

Chairman Nunn. Shifting again, a major reason for the Goldwater-Nichols Department of Defense Reorganization Act was a series of questionable operating experiences, operating force experiences, a series of failures in some cases.

Now that the act has been in effect for more than 2 years, based upon the experience we have had in the Persian Gulf and the experience you have had in observing no-notice type exercises, how would you grade the performance of our operating forces in terms of ability to conduct unified military operations, let's say now, today, compared to 5 years ago?

Admiral Crowe. I think we are in a much better position, Mr. Chairman. I confess to a little bias in this regard, but I think that the Goldwater-Nichols Act has particularly put the unified commanders in a better position to control the form of their command when they are engaged in a particular confrontation or crisis. It has given them more flexibility and allowed them, from that standpoint, to improve their operations. We have graphically demonstrated that in the Persian Gulf.

Chairman Nunn. On a scale of 1 to 10, if you would choose to do this, where were we 5 years ago, 10 being the best in terms of our ability to operate jointly, and where are we now? Would you give us some idea of the movement. Do it in any way you would like to try to do it.

How far have we come toward the goal of really being able to operate our forces jointly in the least likely types of scenarios.

Admiral Crowe. I think in the operations arena I would give us very high marks.

Chairman Nunn. How about communications. Let's say we had another Grenada now.

Admiral Crowe. I was going to say to bring our services together operationally, I would give us high marks.

In terms of interoperability of equipment and so forth, that situation is much better than Grenada, but we have a long way to go still.

I have a shop and staff that is devoted almost solely to that, and they also run these no-notice exercises that you were talking about.

Chairman Nunn. Do you and your staff have the authority you need, to really do something about this inability to communicate, the interoperability?

Admiral Crowe. I don't think the authority is what we don't have. We have the authority. What we need is money.

When you actually change a communication system, even a simple one, if it is not compatible and you say we are going to change it throughout the Marine Corps, or we are going to change it throughout the Army, that is a time-consuming problem, and that requires investment.

First of all, it requires agreement on what you are going to do, and then it requires investment.

Chairman **NUNN**. But somebody has to be able to make this a priority at a high level; otherwise the services will not. That is what I mean by "authority".

Admiral **CROWE**. I think we have that now. It is not so much the argument over the priority as that we are now in a declining fiscal curve, and you have arguments over everything in a declining fiscal world, as to whether or not you can afford the system.

We have a very fine Joint Requirements Oversight Board headed by the Vice Chairman, and they have been really very effective in eliminating redundancy and getting agreements on these compatible systems.

Now, if you get an agreement on a system like that, how it fits in with priorities of other war-fighting and so forth around the table, there will always be serious disputes over that when you don't have money.

I do have the authority to do this, though, and we are making some remarkable progress in compatibility, particularly in the C3 area.

Chairman **NUNN**. Is it a high priority on your list?

Admiral **CROWE**. Yes, absolutely.

Chairman **NUNN**. I have one more open session question, if I could go ahead and ask it now.

Senator **WARNER**. Please do, Mr. Chairman.

Admiral **CROWE**. Saying it is a high priority does not mean that it is the highest. I mean, there are some very serious deficiencies which we look at across the board.

Chairman **NUNN**. I guess what I am asking is this. If you decide that it is one of your highest priorities, do you now have the authority to impose your will on the system?

Admiral **CROWE**. I think so.

Chairman **NUNN**. A recent GAO report concludes the Department of Defense has not issued guidance clarifying the functions of the Joint Staff to support you, as Chairman, and the resource allocation process.

This report also was critical of the capability of the Commanders-in-Chief in the field, the Unified and Specified Command, to participate in that process.

You have just gone through the Defense Resources Board Meeting with the combatant commanders. Based on these meetings and your participation and that of the Vice Chairman throughout the year, would you give us your views as to the adequacy of the process in meeting the requirements of the operating forces?

Admiral **CROWE**. Mr. Chairman, I think first of all, it should be understood that they now have a voice and they have an opportunity to express themselves that they have never had before, and that the CINCs themselves are quite satisfied with, with that opportunity.

If the implication of the requirement is that a CINC has a particular thing he wants and that if he expresses himself, he should get it, no matter what, then we don't do that, and we never will be able to do that, and we can't devise a system that will do that.

Chairman NUNN. I don't think that is the intent.

Admiral CROWE. All right.

If the intent is that he has an opportunity to be heard, to express himself, and to input into the system right up until the decision is made, he now has that, and I don't know of any complaint among the CINCs themselves in that regard.

We have just recently polled them as to if they would like further changes. The fact of the matter is the CINC wants to be in the process, but he does not want to oversee another requirement, procurement, and acquisition staff. He wants the Chiefs of services to perform that, and that requires personnel, and lots of time, and so forth. As an operational CINC, he does not want to do that kind of work, and that would be the next step—to give every theater commander in the world a fiscal staff like the Chiefs of services now have. They don't want that.

Chairman NUNN. What about the Joint Staff? Have the guidelines been issued to give the Joint Staff the ability to support you in the resource allocation process?

Admiral CROWE. The guidelines have been issued. But it is going to be a while. This, of course, really laps over into the net assessment area, for example.

We have the organization. I think we are on the right track. But to build up the expertise, the data base, to build up the kind of support we will ultimately need is going to take another year or two.

Chairman NUNN. So you would agree that we are not there yet?

Admiral CROWE. No, I don't think we are. We have made a lot of progress.

I thought Senator Levin would talk to me about net assessments today, but he didn't.

Senator LEVIN. That's for the second round. [Laughter.]

Admiral CROWE. That is an area where I am not satisfied yet.

Chairman NUNN. Thank you, Admiral.

Senator Warner.

Senator WARNER. Mr. Chairman, you have covered much of the same territory that I had hoped to return to. But let me ask the question in a slightly different way. Maybe the Admiral's answers have covered it, but I would phrase it as follows.

Has the provision of the Goldwater-Nichols legislation that requires the Chairman to prepare fiscally constrained strategic plans inhibited you from representing to the President, to the Secretary of Defense, or the Congress, the requirement for forces based upon an assessment of the relative capabilities of the United States and potentially hostile foreign military forces?

Admiral CROWE. I hesitate here, Senator.

Would you say that again, please.

Senator WARNER. It's kind of a tough question.

Has the provision of the Goldwater-Nichols legislation that requires you to prepare fiscally constrained strategic plans in any way inhibited you from representing to the President, to the Secretary of Defense, or to the Congress, the requirement for forces based upon an assessment of the relative capabilities of the United States and potentially hostile foreign military forces?

Admiral **Crowe**. No. I would not think it has. No, sir.

Senator **Warner**. I just wanted to have that on the record.

Next I would ask about the IMET program.

I went back and pulled this question in view of your emphasis on the need to have greater foreign assistance, military assistance, to countries. We have seen a falloff in that program. But it seems to me to be one that has benefitted us indirectly a great deal, in training these officers.

Have you had the opportunity to address that falloff in the funding?

Admiral **Crowe**. Yes. But we are restricted by legislation on IMET, Senator. We have, for years, been vigorously advocating an increase in our IMET.

We think it is probably the single most effective—that is one word—but you get more free investment on IMET than on any other kind of investment that we could make, with our allies, our friends, and overseas. And yet, we have steadily reduced that program. Believe me, that is a high leverage program.

Senator **Warner**. What would you like to see done up here? Supposing the committee works with you on trying to reverse some of those legislative constraints.

Admiral **Crowe**. I'd like to see us permitted to fund more of them. I would like to see the program expanded.

You know, in 1986, we sent 6,300 students—and we used to send a lot more than that; two and three times that much, and bring them to the United States. We are now down to 6,000, and it has decreased steadily every year since.

My figures only go from 1986 to 1989. The funding has gone down as well.

The trend in 1989 is for less funds, still.

Chairman **Nunn**. Senator Warner, would you yield on this?

Senator **Warner**. Surely.

Chairman **Nunn**. Is it such an important priority that you would be willing to see it funded out of the Defense budget?

I am not asking that facetiously or to put you on the spot. But we are in a situation where I don't see the trend turning around in the next 5 years, unless something different is done.

Admiral **Crowe**. My answer would be an off-the-top-of-my-head answer.

Chairman **Nunn**. Well, I'm asking for your personal view, not the Department's.

Admiral **Crowe**. Yes, I would like to see that. That is an extreme, particularly when we are going down. But, yes.

I would also like to see this committee control that funding.

Chairman **Nunn**. I think the only way we can control the funding is to take it out of a function that we control, unfortunately.

Admiral **Crowe**. Well, you are above my pay grade now, Mr. Chairman.

Chairman **Nunn**. Yes, I understand that. But I am trying to get your sense of priorities. We cannot do much about it where it is now.

Admiral CROWE. We have been remarkably successful in terms of influence with this program. As I am sure you have heard on many occasions, there are many officers around the world leading their military establishments, even some leading their countries, who have been trained in the United States as a product of this program.

Chairman NUNN. You are training military leaders as well as presidents, is what you are saying.

Admiral CROWE. With some countries we do, yes. In some cases, yes.

Senator WARNER. Mr. Chairman, maybe we had better look at all the options we have.

Chairman NUNN. This is an area that has been on my mind for a long time, Senator Warner. I am glad you brought it up.

We do have to assess this. Even though it is not in our committee's jurisdiction, it does have enormous implications in our relationships.

We may want the world to all be like the United States, and have no military control of government, but the military in many nations of the world, even if they are not in political leadership, of which we generally do not approve, is going to have enormous influence about who the political leadership is and how long they remain.

Admiral CROWE. The Soviets understand this very well, and they have not only a vigorous program, but a growing program in a similar area.

Chairman NUNN. Senator Warner, excuse me. Take some additional time. Go ahead and finish your open session questions.

What I would like to do is let everybody finish their open session questions.

Senator WARNER. I am anxious to get to the closed portion, so I will forego any more questions.

Chairman NUNN. Senator Exon.

Senator EXON. Mr. Chairman, thank you very much.

In the interest of moving ahead, I just have one question that I think is a difficult one, but I think we need to start thinking about this, Mr. Chairman.

Should we agree to a START Treaty before a conventional arms agreement is reached?

Admiral CROWE. In my view, not necessarily, Senator.

As a practical proposition, I think START and conventional arms control are both going to be protracted and agonizing, and we should forge ahead in both fields. But I don't have a particular view as to one being completed sequentially before the other.

Senator EXON. The ideal situation, of course, would be to do them simultaneously, I presume.

Admiral CROWE. If you were talking about SNF, or if you were talking on the follow-on to START, that would be a different proposition.

But those two I would push ahead.

Senator EXON. Thank you, Mr. Chairman.

I have no further questions for now.

Senator WARNER. Mr. Chairman, if I could retrieve a few seconds of my earlier time——

Chairman **Nunn**. Senator Warner.

Senator **Warner** [continuing]. I would like to ask unanimous consent that a statement by Senator Thurmond be included in the record. The Senator was unable to be here today as he is out of town. Likewise, a statement by Senator McCain is submitted for the record, together with some questions for the Chairman. I would ask that they be placed in the record.

Senator **Exon** [presiding]. Without objection, that is so ordered.

Senator **Warner**. Thank you.

[The prepared statements of Senator Thurmond and Senator McCain follow:]

### PREPARED STATEMENT BY SENATOR STROM THURMOND

Mr. Chairman, I join you in welcoming Admiral Crowe. His tenure as the Chairman of the Joint Chiefs of Staff has resulted in significant improvements in the capabilities of our Armed Forces and has reaffirmed this Nation's commitment toward maintaining peace through strength.

Admiral Crowe, this country faces many challenges as a result of Mr. Gorbachev's bold initiatives. Based on the statement you presented to this committee today, I believe the armed services are prepared to face them.

I want you to know that you have my support and that I will be persistent in providing you the resources needed to allow our Nation's Armed Forces to meet the challenges of the future. This Congress owes it to the Nation but, more importantly, we owe it to our great fighting men and women.

Thank you Mr. Chairman.

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### PREPARED STATEMENT BY SENATOR JOHN McCAIN

Admiral Crowe, I am deeply worried about the quality and relevance of strategic planning in this country. I gather from recent press reports that the current strategic review will lag the budget decisions being made in the Department of Defense and the Bush Administration are all too true.

I also have heard a number of concerns from those working on the strategic review that it may become little more than a blessing of conventional wisdom, and an endorsement of decisions which have really been taken to bring the defense budget down to a given ceiling. I have seen a number of press reports which imply we will end up letting the budget shape most of our real-world strategy. Further, I have seen a number of reports that indicate that rather than re-examine our present roles and missions, each service will end up with roughly the same percentage of a diminished budget that it has today.

As you know, strategy documents are meaningless unless they directly impact on budgeting and programming. Anyone can write strategies and plans that do not have to come to grips with the real world constraints of resources. Anyone can write a budget or program that does not have to come to grips with strategy. The end result of such a process, however, is that we will end up failing to meet our commitments and wasting our defense budget.

I realize that many of these events are beyond our control. I have to say, however, that I see little progress in producing the kind of military advice we need in the form of detailed strategic planning justified by valid net assessment. I see little progress in linking the strategic planning and net assessment effort in the Joint Staff to the formation of the kind of FYDP that allocates the optimal amount of resources to given roles and missions, and then reaches the Congress in the form of a budget submissions. I see few tangible signs that the Joint Staff is improving its strategic planning and net assessment effort as a result of Goldwater-Nichols or at anything like the pace required:

The key documents necessary to support and explain the FY1990 and FY1991 budget, the FYDP, the military balance, and our strategy are not available to Congress. The documents Joint Staff owes the Congress are still missing.

Last year's net assessment was understandable as a first step, but we have strong indications that the Joint Staff produced a product that has taken you weeks to try to fix, and which had a "lowest common denominator" quality because it depended so much on coordination with the services and so little on independent military judgment.

I also hear disturbing reports that MOP-39 is still being used as an excuse to block adequate coordination with the intelligence community and the civilian experts in OSD (Net Assessment).

~~More~~ generally, I am concerned with the reports I hear about the entire way in which the net assessment effort is being conducted within the Department of Defense, and within the Joint Staff. I hear reports that:

The policy making community is largely excluded from the review of the politicomilitary assumptions and scenarios used to shape the net assessment.

The intelligence community and OSD(NA) are not involved directly and continuously in the net assessment effort, and the NAC only plays a role after the document is virtually completed.

Net assessments examine only a narrow and sometimes unrealistic range of scenarios.

It has proven impossible to update and make a suitable base for analyzing and displaying the impact of military judgment because it is so dependent on time-consuming computer models, and an almost endless coordination process.

That estimates of U.S. forces, in terms of the force levels we now plan to purchase, are so out of date that they do not track even with the resource levels provided in the Reagan budget and FYDP.

I know you personally have had to work hard on this document to make up for the failures of the Joint Staff effort. The problem is, however, that the classified version will now be far too late, and I gather that the effort to coordinate the unclassified version has only begun.

I increasingly have the feeling that we will either have to create a separate agency for the purpose of net assessment within the Department, or task the intelligence community to do this work if we are to get timely and independent analysis. I still hope, however, that we can avoid this alternative. I would like you, therefore, to describe for the record what you feel should be done to improve the current system of strategic planning within the U.S. Government, and what you are doing to improve that system within the JCS. I also would like to know when we can expect the classified and unclassified net assessment, and what you plan to do to make this net assessment an adequate document by the time next year's version is due.

Finally, I am asking additional questions for the record which are designed to elicit the kind of detailed and comprehensive answers that will highlight this issue, and make it a major topic for review by this committee in the future.

Senator WARNER. I have one brief question.

The SOF forces that you have touched on today, is that program going to your satisfaction? I think Secretary Whitehouse, Charlie Whitehouse, stepped in and took over there and has done quite a good job in pulling together that operation and integrating it within the Department.

Would you concur on that?

Admiral CROWE. Yes, I would.

I am quite pleased with particularly the Special Operations Command and the progress it has made in not only increasing our capability but I think increasing the efficiency in the way we do our business.

It is the one area that is growing at a time when our entire budget is going down.

I do not mean to imply by that that some of these rather painful budget decisions that will have to be made, I do not mean to imply that they won't affect the Special Operations Force. I think it is inevitable that in some cases they do.

Senator WARNER. But it has taken root and has been accepted by the other services?

Admiral CROWE. Very much so, and by the unified commanders.

That simple statement is probably the biggest contribution that General Lindsay has made in the Special Operations business, the receptiveness that he has generated among the unified commanders and the coordination that he has generated between his command and the other war-fighters.

Senator **Warner**. The Whitehouse-Lindsay team has been a good one, then?

Admiral **Crowe**. Yes, it has.

Senator **Warner**. Thank you very much, Mr. Chairman.

Chairman **Nunn**. Thank you, Senator Warner.

Senator Levin.

Senator **Levin**. Thank you, Mr. Chairman.

Your answer to Senator Exon relative to the START Treaty and its relationship, if any, to the conventional arms negotiations was intriguing on two counts. One is that you said that you expected the START negotiations would be protracted. I think that is perhaps a change in the perspective from the last administration, which felt it was fairly close to reaching a START agreement.

Has anything changed in terms of the guidance from the administration?

Admiral **Crowe**. Well, I think my own thinking has changed, Senator.

Senator **Levin**. The guidance has not changed?

Admiral **Crowe**. No, I don't believe so. But my emotions have gone up and down throughout START. We seem to reach almost agreement on certain questions, but the questions that linger—I heard a man say once that it's like horsemeat. The more you chew it, the bigger it gets. [Laughter.]

I think that the verification questions that remain on START and the SLCM questions, for example, the more you chew them, the bigger they get.

Senator **Levin**. I think we're all marking down that little homily of yours for use in future speeches. I see all our pens coming out.

Chairman **Nunn**. That's the only note that I've written down on what you've said today, Admiral. [Laughter.]

Admiral **Crowe**. Mr. Chairman, in a speech I made the other night, I said that I'd spent 47 years in the Navy, and the only thing I was going to be remembered for was 4 minutes on "Cheers." [Laughter.]

That is certainly the way this is. But those questions have loomed certainly in my thinking in the last few months larger and larger, and they are difficult questions. I do not see easy or quick solutions to them.

Senator **Levin**. If we were able to reach a START agreement which was in our national interest, would you suggest that we not ratify it until we have a conventional agreement reached?

Admiral **Crowe**. Well, that is sort of hypothetical. I guess it would depend on the circumstances at the time. But my instincts would be not at the START levels we are talking about. I would say go ahead.

Senator **Levin**. Go ahead?

Admiral **Crowe**. That is a snap response, Senator.

Senator **Levin**. I don't want to disappoint you and not ask you about net assessment.

I think you testified in 1987, relative to certain major Warsaw Pact and NATO trends, and also on the current net assessment at that time. Would you say that we are in a stronger position now than we were in 1987 vis-a-vis the Warsaw Pact, or about the same or a weaker position—in terms of net assessment?

Admiral CROWE. Now are you talking in central Europe?

Senator LEVIN. Yes. NATO versus Warsaw Pact. Central Europe.

Admiral CROWE. In central Europe.

Senator LEVIN. Yes.

Admiral CROWE. The reason I asked that question is since my time with Akhromeyev and some of my recent work on net assessments, I have sort of expanded the way I look at it as a worldwide balance. I think that is maybe even more important than the European equation. But that is just personal thinking.

Yes, I think we are somewhat better off.

Senator LEVIN. Than we were a few years ago?

Admiral CROWE. Yes.

However—"however, comma"—we are not well off. That is a strange statement.

I think you understand what I mean though. Our relative position has improved, but we were starting in a very bad position. The Chiefs have consistently testified and believe that we are nowhere near what we should be in Europe, as an alliance or bilaterally. Either one.

Senator LEVIN. Let me just go back for a moment to our old friend, "bolt out of the blue." I want to pick up on a question that I asked in the first round.

You indicated again that a bolt out of the blue attack would be very, very unlikely. Here is my question.

Would not an attack upon us, after we have had warning and after we have had a chance to generate our strategic forces be even more unlikely?

Admiral CROWE. I understand where you are coming from. I guess the honest answer is I don't know. It seems to me it would be a rather desperate alternative, but one that in certain circumstances might make sense to the man that is waging it.

Senator LEVIN. Let me ask the question in a slightly different way, then.

Admiral CROWE. I guess I just don't know.

Senator LEVIN. You also indicated, I believe, that we have a considerable hedge, now, against a bolt out of the blue attack. I think those were your words.

Do we not also have a considerable hedge now against an attack after we have had some strategic warning?

Admiral CROWE. Yes, we do.

Senator LEVIN. Could you compare which hedge is greater?

Admiral CROWE. Greater in terms of survivability?

Senator LEVIN. In terms of a hedge against that scenario.

Admiral CROWE. But I mean among our weapon systems?

Senator LEVIN. Yes.

Admiral CROWE. Well, obviously, our submarine force is the number one.

Senator LEVIN. No. Do we have a greater deterrent against a bolt out of the blue attack or against an attack after we have had strategic warning?

Admiral CROWE. Well, I think, as my previous answer, still I don't know, Senator.

The problem is that I really look at this usually as the result of conventional conflict in a theater employment, and if you do not deter at these various levels and you finally get to that point where you are being hurt so badly by a lower level attack, you may do something at a higher level that still makes sense under those circumstances, even suicidal.

I would like to explore that in a closed session more than I would in an open session.

Senator **Levin**. May I just have one more question for the open round? It has to do with the survivability of the MX in a silo, compared to the survivability of the MX on a nondispersed rail car.

Where is the MX more survivable? In a hardened silo?

Admiral **Crowe**. If it's riding out an attack?

Senator **Levin**. Yes.

Admiral **Crowe**. I would assume that it would be more survivable in a silo. We still do not quite have our research and our designs yet completed.

I would prefer to answer that question with a little more technical advice than I have at this point. But my instincts would tell me in a silo.

Senator **Levin**. Thank you.

Thank you, Mr. Chairman.

Chairman **Nunn**. Senator Gorton.

Senator **Gorton**. I am ready for the closed session, Mr. Chairman.

Chairman **Nunn**. Is everybody ready for a closed session?

[Pause.]

Chairman **Nunn**. We will come back at 20 after the hour, Admiral Crowe, to give you a little time to take a break, and we will be able to clear the room then.

So this open session is now concluded. I guess I ought to get a motion.

Do we have a motion to go into closed session?

Senator **Exon**. I so move.

Senator **Levin**. I second.

Chairman **Nunn**. Is there any objection?

[No response.]

Without objection, the committee will go into closed session at 20 after the hour.

[Whereupon, at 11:12 a.m., the committee recessed, to reconvene in closed session at 11:20 a.m.]

## EXECUTIVE SESSION

The committee met, pursuant to notice, at 11:21 a.m., in room SR-222, Russell Senate Office Building, Senator Sam Nunn (chairman) presiding.

Committee members present: Senators Nunn, Exon, Warner, Wilson, and Gorton.

Committee staff members present: Arnold L. Punaro, staff director; Richard D. DeBobes, counsel; Robert E. Bayer, John J. Hamre, James R. Locher III, T. Kirk McConnell, and Michael J. McCord, professional staff members.

Minority staff members present: Patrick A. Tucker, minority staff director and counsel; Romie L. Brownlee, deputy staff director for the minority; Robert F. Bott, Brian D. Dailey and Ronald P. Kelly, professional staff members.

Staff assistant present: Barbara L. Braucht.

Committee members' assistants present: Jeffrey B. Subko, assistant to Senator Exon; Kenneth N. Luongo, assistant to Senator Levin; Jefferson B. Seabright, assistant to Senator Wirth; Terrence M. Lynch, assistant to Senator Shelby; and Robert M. Soofer, assistant to Senator Gorton.

Chairman **Nunn**. The committee will come to order.

We are now in closed session and the microphones are off at this point.

Will the staff director tell us if everything is secure?

Mr. **Punaro**. We are secure on the Senate side, but we are waiting for the Department of Defense to see whether they can verify whether everybody in the Department of Defense is cleared.

Colonel **Green**. We are cleared.

Senator **Warner**. So we are all right?

Chairman **Nunn**. Yes. We are all right.

I will yield to Senator Exon and take my turn later. He has time constraints.

Senator **Exon**. Thank you, Mr. Chairman.

I am going to ask you a general question and, therefore, allow you to make any comments you might like in closed session to expand upon anything that was touched on or anything else that you think is timely that we know of as a committee. This is an area where we are honored to have you testify and where we work very closely with you on, Admiral.

My question, basically, is what comments do you have, generally, on anything in closed session that was not covered fully from your point of view in the open session.

Admiral **Crowe**. Well, the main thing I remember, Senator, is because of one of the last questions from Senator Levin.

On the nuclear war question, I have tried to give a lot of thought as to how a nuclear war would arise. I thought his last question about is the likelihood of a bolt out of the blue more or less than a deliberate strike in the course of war. That is a very, very good question.

I repeat that I don't exactly know the answer. But I know that in the games that we play, where we try to bring in——

Senator **Warner**. May I interrupt you to ask that you restate the question as you understood it to be.

Admiral **Crowe**. Well, he asked me, I thought, I had said that the bolt out of the blue scenario was, in my view, extremely unlikely; and he said well, isn't it more likely than the other scenario, where both sides are in a full state of readiness.

Senator **Exon**. Let me clarify that because Senator Levin and I talked about it. He asked the question and we talked about it during the recess.

Let's put it in perspective as there may be other aspects to it.

Admiral **Crowe**. Yes, I would like to know.

Senator **Exon**. What he was trying to get to is if the scenario of a bolt out of the blue surprise strike is not likely, wouldn't it be even less likely so after we had dispersed our MX rail garrisoned missiles outside of their bases, and sent our submarines out to sea?

Admiral **Crowe**. Yes. I thought that was what he meant, Senator.

Senator **Exon**. That is the stuff of the question.

Admiral **Crowe**. But where I get into this problem—and this seems to me to be in the real world a more likely possibility—is when you get into fighting the European war scenario and you start with a conventional attack, and then things happen—you know, NATO has an announced policy. If we have penetration, if we have collapse, our cohesion is being lost, then we are going to use nuclear weapons, theater nuclear weapons. We try to explore that concept by actually playing games, analytical games.

We do that in an intellectual way to try to get some insights into how the war would go or not go, or what would happen.

[Deleted.]

I don't know the answer to that question, and no planner is going to know, and no war fighter is going to know and no politician is going to know.

[Deleted.]

Senator **Warner**. "Them" being?

Admiral **Crowe**. The Soviets.

Senator **Warner**. [Deleted.]

Admiral **Crowe**. [Deleted.]

[Deleted.]

I would be pushed into a position of having to advise him one way or another.

[Deleted.]

Senator **Exon**. You know, we keep begging that question. I think that is an unanswerable question.

Admiral **Crowe**. I suspect it is.

Senator **Exon**. You know, the obvious answer I think is that we should beef up our conventional forces in Europe.

Admiral **Crowe**. I could not agree more.

Senator **Exon**. [Deleted.]

There is a good scenario to this. Gas was not used in World War II. I don't know militarily whether the Nazis could have used it to an effect or not. It was not used because I guess our chemical deterrent worked.

Admiral **Crowe**. That's correct. That is absolutely correct.

Senator **Exon**. That is the good part about our nuclear deterrent. I think the heart and soul of your repeated statements, Admiral, is that you cannot ever see a scenario where either side would decide to use that from the beginning. It is a deterioration of a bad situation the scenario that most concerns you, right?

Admiral **Crowe**. Yes.

[Deleted.]

Senator **Exon**. Thank you.

My time is up, Mr. Chairman.

Chairman **Nunn**. Thank you, Senator Exon.

Senator Warner.

Senator **Warner**. [Deleted.]

Admiral **Crowe**. [Deleted.]

Senator **Warner**. Oh, really?

Admiral CROWE. Oh, yes.

I believe that.

Senator WARNER. That is the present thinking in the planning and the gaming?

Admiral CROWE. We see this reflected not only in Soviet thinking, but in their exercises, their writings and a number of other indicators. Certainly Akhromeyev as much as said that.

Senator WARNER. [Deleted.]

Admiral CROWE. [Deleted.]

Senator WARNER. Admiral, I waited until we got into closed session to deal with this matter.

You will recall, when you came up for confirmation—I went back and read the record—Senator Goldwater put certain questions to you about you commitment to this committee to come before it and give your personal views. I think you have always been consistent in that. That question and exchange between yourself and Chairman Goldwater was against the background of a statutory provision that we enacted. I will put the date in the record. But the section, specifically section (f), recommendations to Congress, is: after first informing the Secretary of Defense and members of the Joint Chiefs of Staff, you will make such recommendations to Congress relating to the Department of Defense as he considers appropriate.

[Deleted.]

Admiral CROWE. Well, I really have not thought about it in legal terms. It didn't seem to me, Senator, that it has done anything like that.

[Deleted.]

Senator WARNER. Well, I wish to confirm that observation. Speaking only for this Senator, he came to see me at my request, and simply reviewed the several options that he and others were considering. I did not interpret any of his comments to me to be in the nature of lobbying. He was specifically responsive to my inquiries.

My question to you is do you feel there is any change in policy with respect to the appearances of members of the JCS before this committee?

Admiral CROWE. I have not seen any evidence of that, Senator.

Senator WARNER. Thank you.

Admiral CROWE. Secretary Cheney and I, of course, talked about my coming today, and I was given no directives, no instructions whatsoever.

[Deleted.]

Senator WARNER [presiding]. Thank you very much, Admiral.

Senator Wilson.

Senator WILSON. Thank you, Mr. Chairman.

Admiral, I apologize that I was detained. However, I did want to avail myself of this opportunity.

In your statement, under the heading "Soviet unilateral reductions," I find a tone of, I guess, hopeful skepticism that you would like to see it happen but that you are not sure how much we can expect.

You make, I think, a proper point that verification, as it relates to conventional arms reduction, what really is in the way of being involved? It would seem in one way that verification would be much easier to perform. On the other hand I am not really sure that is true, particularly as it relates to the different situations that it seems we are confronted with in the NATO threater, in terms of what seems to me at least to be the relative ease of resupply from the standpoint of the Soviets.

It seems to me that if we are talking about conventional arms directions, it is a simple enough proposition to go to a site in Poland or someplace in Eastern Europe and see whether or not something is there. But what we cannot agree to do is go beyond the Urals.

It seems to me that a worst case scenario would be that they could claim to have destroyed certain things, and unless we actually saw the destruction occur, they could instead simply withdraw.

Admiral CROWE. Incidentally, we may be invited to see some of the destruction occur.

There are some indications of that.

Senator WILSON. Oh, I would expect that we would be invited for that. But I think, if I were in their shoes, that is what I would undertake.

I don't know that I would invite, on an accounting basis, the observation that each unit be destroyed; but rather would invite to what would appear to be a sample, random destruction.

I guess what I am getting at is how comfortable are you that we can, in fact, verify?

Admiral CROWE. [Deleted.]

They tell us on the one hand they don't know how much money they spend on defense, and, on the other hand, they come out and say we are going to reduce production or procurement 19.7 percent, or we are going to reduce overall defense expenditures 11 percent. I don't know how they know that.

That will be very difficult stuff.

Senator WILSON. The difference in terms of cost to us per soldier, sailor, airman and what it costs them to field their soldier, sailor, airman; how much of this is really driven in your judgment, by concern about diversion of resources?

If you take, at face value, some of the statements that Gorbachev has been making, how much do they actually save by deactivation of some of their forces? I note that you are talking about their announced intentions to destroy or reduce the Asian theater something like 60,000.

Admiral CROWE. I think it is bigger than that, Senator. I think it is about 200,000 in the Asian theater.

Senator WILSON. What is the implication of that economically for them? What does that permit by way of saving? For us, that would be a hell of a saving.

Admiral CROWE. Well, it won't be as much for them.

Senator WILSON. It would not be nearly as much for them?

Admiral CROWE. I don't know.

Incidentally, it is not only not a saving, it is a big problem to throw 500,000 men on the Soviet economy. Curiously enough, everything I have read that comes out of the Soviet Union is that it is not a complaint about lesser capability; it is a complaint about how do we employ these people, what do we do with them.

Senator **Wilson**. That was going to be my next question. How much of a burden will they be?

Admiral **Crowe**. It may be a very heavy burden on particulary the 70,000 officers. They are going to muster out 70,000 officers.

[Deleted.]

But what he will do on the savings is free up some of his industry—not necessarily a money saving, but free up the industry to do other things. That seems to be a prime driver in some of his calculations.

First of all, he has to break the lock that general staff had on defense appropriations and spending. Incidentally, it will save money in terms of equipment bought and so forth—not salaries, but in terms of just investment and O&M and so forth. This will save him some money there.

But, hopefully, and I think more importantly, the reason he had to break that lock on him is he had to get his hands on some of that industry and on some of that talent that goes into the development of military equipment. He has to divert it in other ways, and he can't do it until he in some way frees it up from military demands.

Senator **Wilson**. Are these 70,000 officers that he is talking about mustering out, by virtue of their education and training, people who can be absorbed in the civilian economy? I gather that you have serious doubts about that.

Admiral **Crowe**. Well, I think they could be absorbed, but they can't be absorbed in the quality of life they currently enjoy, and that is a problem. And he does not want them to be dissatisfied.

Evidently, in that society, when you reach a certain point, you have a vested interest and right to not go back. If you bought an Oldsmobile, you don't have to go back to a Chevrolet. That is going to be a very difficult problem. And I think their writings suggest that it will be difficult.

Senator **Wilson**. Let me conclude with this, Mr. Chairman. I have heard for years that the Soviets are pack-rats, that they never throw anything away. And so, the level of assessment, just in terms of the ratios between the Warsaw Pact and NATO, is necessarily an inflated ratio because, on the Soviet side, it includes the latest state of the art and some things that are probably not much better than junk.

Now, to what extent does their total inventory reflect inclusion in the numbers of a lot of equipment that is old?

Admiral **Crowe**. It reflects quite a bit, Senator. [Deleted.] [Laughter.]

So we are trying, in the net assessment—as all organizations that deal in net assessments do—to make distinctions between old equipment, new equipment, cadre units, full units, partial units, units that are lesser quality and so on. But those are very hard, and it is frustrating me in the net assessment business. But we are trying to make those distinctions to get a better handle on what the balance genuinely is.

Senator **Wilson**. Do we have good enough information so that we are reasonably certain how much of their total defense budget is allocated to procurement, how much to O&M?

Admiral **Crowe**. No, I don't think we do, Senator; we are getting better, but we don't.

[Deleted.] [Laughter.]

Senator **Wilson**. That may be a great break for us. [Laughter.]

Admiral **Crowe**. But he claims that they will put it in one place and that they will be able, ultimately, to publish it, just like we do ours.

He said that in front of the Council on Foreign Relations in a speech he made.

Senator **Wilson**. Thank you.

Thank you, Mr. Chairman, and Admiral. Thank you very much.

Chairman **Nunn** [presiding]. Admiral, I have two or three questions.

[Deleted.]

Admiral **Crowe**. [Deleted.]

Chairman **Nunn**. [Deleted.]

Admiral **Crowe**. [Deleted.]

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Admiral **Crowe**. [Deleted.]

Colonel **Green**. [Deleted.]

Chairman **Nunn**. [Deleted.]

Admiral **Crowe**. [Deleted.]

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Admiral **Crowe**. [Deleted.]

Chairman **Nunn**. [Deleted.]

Admiral **Crowe**. [Deleted.]

Chairman **Nunn**. Right.

On that subject, we are now going to reduce our defense budget again, this year, apparently, based on what I hear, 1 percent or 2 percent in real terms. We are on a downward trail, as you have already observed. We have to make some changes. We have to make some hard decisions.

Do you believe there is a danger that we may lock ourselves in, by the arms control negotiations, to a frozen posture in Europe because of political ramifications, and then have to reduce everywhere but there in terms of our situation? Or do you consider that European deployments are on the table, too, in terms of it's out there?

**Admiral Crowe.** Well, I think Secretary Cheney has made the statement that everything is on the table.

**Chairman Nunn.** Do you agree with that?

**Admiral Crowe.** Yes.

**Chairman Nunn.** In thinking this through, the reason I bring that up on connection with forward defense is this: getting 16 nations to move together is an important part of our deterrent, because we all are there. If there is any war, the Soviets know they are taking on everybody, at least theoretically.

On the other hand, it's a very tough task to think in terms of how we, as we cut defense, can get them to do more. We talk about this strategy of forward defense [deleted].

Do you think we may reach the point where we have to take certain action ourselves, unilaterally—America—to cope with our own budget situation in Europe—and I think you have answered that that certainly is at least on the table? If we do, is there a way that we can do this so that we, by our own actions, stimulate the Europeans to help fill in the void where we are having to make certain priority reductions?

By this, I mean, for instance, shouldn't we at least start thinking in terms of playing less of an American role in the forward defense, which is militarily very difficult, and if it is then a political necessity, let the political pressures be on the Europeans to fill the void? I am not talking about a wholesale withdrawal, but I am talking about a different set of priorities.

**Admiral Crowe.** Well, the way you cast it, Mr. Chairman, I think you have to. When you say "shouldn't we be thinking about," well, I think about those possibilities all the time. The political wisdom of how you present it, what you do, how you factor or dovetail it in to other initiatives that you are making in the arms control area or buttressing the alliance are, of course, very serious and very legitimate questions.

I came right up against this question when I completed the latest issue of the net assessment that we did. I should say that one of the frustrating things about the net assessment—and it was graphically illustrated on the latest version—we started work on the net assessment assuming a 2-percent growth in defense spending, because we were directed to. By the time we had gotten through with it, that had totally disappeared. We started the net assessment before Mr. Gorbachev started doing his thing, and before we got through, he was wildly changing the parameters of the net assessment.

That is all very frustrating, and it does not give you a net assessment when you are through that is necessarily valid.

But the two things that sprung out of the net assessment to me were, first of all, in the face of a determined conventional Soviet attack in Western Europe, we would have grave problems dealing with it, handling it. And we probably could not handle it. Now I'm talking about a conventional attack in Western Europe.

[Deleted.]

But we can't solve that problem. The United States alone cannot solve that problem. I'm sorry, but we can't do it.

Chairman **Nunn**. No matter how much we do, it is not solvable without an alliance.

Admiral **Crowe**. It cannot be solved by ourselves. So the Europeans have to do more or it won't be solved.

Then the question arises is it our presence in Europe, our ground presence, has that deterred the Soviets? I don't know that I can say yes to that question. I have come to the conclusion, [deleted] as a result of looking at the history of our commitment and looking at it from the Soviet standpoint—and I think you and I have talked about this—that what deters the Soviets, primarily and fundamentally, is American worldwide global strength, political, economic, and military; and that that is not only a tremendous factor in our calculations, it is a very imposing one, and intimidating one. Of course they can attack in a certain area and perhaps gain ground and win local, temporary victories, et cetera, but what do they have when it is all over? They still have worldwide global strength, mobility which they cannot match. We have air power and naval power that they cannot match, that they cannot deal with, and the prospect of, in the end, just being engaged in something they should not be in.

Now, if you believe that, and if you accept that, that lets you look at Europe in a little different way than we have historically looked at it. Then you come to the conclusion that if we have to constrain our finances and our spending, you'd better look for the things that we can do and nobody else can do, and make sure they are healthy and that we do those, and deemphasize the things that our allies can do.

Now, that's easy to talk about; that's all very hard to do.

Chairman **Nunn**. I came to that conclusion about 5 or 6 years ago. But, again, how you do it is a totally different situation, and it is even more complicated now that we have unilateral reductions going on, which make whatever degree of difficulty with forward defense that we now have a little bit less difficult—also with the conventional arms control going on.

But I concluded a long time ago, and I believe this even more strongly now, and I hope there is at least the possibility of being looked at, that we need to do exactly what you just said—figure out what are the areas that we do best and give priority to those. It doesn't mean that we don't do anything else, but we should give priority to those and specialize in those more. Inevitably, then, the allies will get the message that they have to do more in the other areas if they are not going to have gaps.

It seems to me that that forward defense is the very area, because it is so politically necessary in Germany, is the very area that the Germans, themselves, will feel more political pressure on to fill the gap. By this I do not mean that I am suggesting we pull out everything forward. But I think we ought to emphasize, myself, the mobility role, the reserve role the mobile reserve in Europe, much more than we do our forward defense, and deemphasize the huge amount of heavy equipment we try to get over during crises, which is darn near impossible anyway.

**Admiral CROWE.** Of course, in a very practical way, I bemoan or I regret that we are looking at a reduced budget and force cuts that we can, in some fashion, dovetail with our arms control efforts. It just grieves me something fierce that we can't get credit for these things in a very tangible, concrete, way as we deal with Mr. Gorbachev. But it does not seem possible in the American political system.

**Chairman NUNN.** We may end up not only not getting arms control credit, we may not get any political credit in Europe, either. He is getting enormous credit for doing things that are in his economic interest.

**Admiral CROWE.** Everything he is doing we have already done.

We have decreased our expenditures by 11 percent in the last 4 years. We have destroyed chemical weapons, which he is deriving so much political benefit from. We have destroyed a lot of nuclear weapons. We have steadily brought down our inventory of nuclear weapons.

I don't know if it's because we are inept, or if it's because of our structure, or what it is. But he announces a cut, and all he does is announce it and gets all kinds of credit, but we do it and we don't get any credit.

**Chairman NUNN.** Of course, it takes us 2 or 3 years to reach that conclusion, or sometimes 4 or 5, and the debate takes place over such period of time and is discussed so many times that by the time you finally sign something, the word of it has leaked out in bits and pieces. So the impact is greatly reduced.

**Admiral CROWE.** [Deleted.]

**Senator WILSON.** Mr. Chairman.

**Chairman NUNN.** Senator Wilson.

**Senator WILSON.** The comment the Admiral has made occasions a question.

You mentioned all the things that we had done and that they are just talking about. [Deleted.]

**Chairman NUNN.** Senator Wilson, I have to leave. Why don't you go ahead and ask your questions and close this out for us.

Admiral, thank you very much.

**Admiral CROWE.** Thank you, Mr. Chairman. It's nice to be here.

**Chairman NUNN.** We appreciate your testimony.

**Admiral CROWE.** [Deleted.]

**Senator WILSON** [presiding]. [Deleted.]

**Admiral CROWE.** [Deleted.]

**Senator WILSON.** [Deleted.]

There is a double standard, isn't there?

**Admiral CROWE.** I don't think there is any question about that.

I sometimes feel that in my own business I would be listened to more if I could retire, than I am in active duty.

**Senator WILSON.** I don't think there is any question about that, sir. If I may say so, there is a parallel to elective office. If you want to have "statesmenship," leave it. Suddenly you will have credibility.

The same thing is true at different points in a term of elective office. If you have been elected, somehow you have great credibility. But if you are a candidate, just forget it. [Laughter.]

I don't know what the answer is. There is a heavy cost that we pay for a democracy and a free press.

I have found this fascinating and made some notes. I think the thing that you and Senator Nunn were discussing is one of the more vexing and difficult problems. [Deleted.]

Admiral CROWE. I really believe that, sir.

Senator WILSON. I think perhaps the Chairman is right. The problem that we have had is that we have been unwilling to trust them to make the greater effort as we began to diminish our own because we think, politically, there may not be a will there to do it. And so, we are faced with the irony that we seem much more concerned about their safety than they do.

Admiral CROWE. And I really cannot believe that we are, or we should not be.

Senator WILSON. There is, I think, a geat deal of strength to the argument that we shouldn't be, and that if they don't care enough, we ought to encourage them to care more. Perhaps they have been encouraged to care less because they could pretty predictably count on us to exhibit a greater concern even than they are willing themselves.

But your comment about the deterrent being the overall strength of the United States on a global basis, economically and in terms of our other arms, apart from CFE, I think makes a great deal of sense. I would assume that, even though we are coming to a time when younger men are leading the military in the Soviet Union and we no longer have very many people around who were actual participants in World War II, they have yet not forgotten the lessons of World War II, in terms of the incredible ability that we have to mobilize and to engage in a supply of the arsenal of the Free world, and actually logistically overwhelm the Axis Powers.

So, it does generate a great concern about what our overall capability is, economically as well as militarily, and the two, I think, are connected, as are considerations of our relationships with trading partners, who are also security allies.

We do not have time today and you have been generous already. I am not going to detain you longer. But on another occasion, I really would like to get into the whole set of problems about what the proper policy of the United States is vis-a-vis when we require security allies, who are also trading partners with whom we have a very complex relationship. I think it is unescapable now that we are in the position of carrying the lion's share, as a security partner, and, at the same time, bearing most of the burden in a trading relationship as well.

It seems to me that that affords us some leverage that we really have not exercised.

Admiral CROWE. We should, though, in a modest way. I think, to refer to something you said previously, the strength of the military to military contacts that we are generating in the Soviet Union is to get the younger generation of the leadership over there to the United States to see some of these things.

Even in my short visit with Akhromeyev, while he is pretty sophisticated and went to great lengths to not be too overawed by what he saw, it is pretty clear that what he saw in the United States really impressed him.

But we have a younger generation over there that really does not know much about the United States.

Akhromeyev actually said to me at one point, for example, "I've been taught since I was a small youngster that Americans are not patriotic," and he said, "I've been here 2 days and that is clearly not true."

So I think, in a modest way, this military to military contact thing is not a stupid idea. I think there is some merit in doing this. There is some merit in them seeing what we do and how we live.

That is not going to change their minds. That is not going to make them democrats, as opposed to Communists, or something. But nevertheless, it will show them that we have a very dedicated, capable military.

Senator **Wilson**. Was there any discussion in comparison to the level of education?

Admiral **Crowe**. Yes. He talked about it. He is very dissatisfied with his military educational system. In fact, he said to me if you bring a military expert with you when you come to the Soviet Union, I'd like to talk to him.

Unfortunately, I did not get him to any of our schools. I just did not have time.

I got him to a civilian school. I took him to Oklahoma University. But I didn't get him to any of our military schools. We just didn't have the time.

But he did talk about education. He talked about his country as being a poor country. I thought that was interesting.

[Deleted.]

Senator **Wilson**. Thank you very much.

Admiral **Crowe**. Thank you, sir.

Senator **Wilson**. This hearing is closed.

[Questions for the record with answers supplied follow:]

### Questions Submitted by Senator John W. Warner

#### CONVENTIONAL FORCES—EUROPE, SNF

Senator **Warner**. The Soviets have insisted that short-range nuclear forces be included in negotiations on Conventional Forces in Europe or CFE. Do you think we should hold negotiations on SNF systems with the Soviets or consider the possibility of negotiations on SNF systems with the Soviets or consider the possibility of negotiations after we modernize our NATO nuclear forces as outlined by the Montebello Decisions of 1983?

Admiral **Crowe**. The U.S. position is that SNF modernization must proceed in accordance with the 1983 Montebello decision, and that arms control should proceed within the framework agreed at the 1987 NAC Ministerial meeting at Reykjavik. It would be imprudent to begin negotiations now for a number of reasons. First, modern and diverse Theater Nuclear Forces are a key component in NATO's "Flexible Response" strategy which gives NATO the capability to respond to Warsaw Pact aggression without immediately escalating to global nuclear war. Public pressure during SNF negotiations would be towards a "Third Zero" which is counter to NATO's "Flexible Response" Strategy. Second, it would be difficult to determine the requirements for SNF forces until after the conclusion of the Conventional Forces Treaty. Third, SNF negotiations are such a popular issue that if SNF negotiation were conducted simultaneously with CFE, the SNF negotiations could steal the limelight and momentum away from the CFE negotiations. Conducting CFE and SNF negotiations simultaneously could complicate the process such that a successful conclusion to both Treaties would be unlikely. Fourth, the systems associated with TNF/SNF are dual capable systems (Dual Capable Aircraft, AFAPs, Lance/FOTL), so negotiating CFE and SNF simultaneously would subject them to double jeopardy. In summary, the USG should hold firm to its position that it will modernize SNF forces in keeping with previous NATO agreement. We should not negotiate SNF until the SNF requirements are reassessed after CFE and CW negotiations have been concluded.

### CONVENTIONAL FORCES—EUROPE, 50 PERCENT CUT

Senator **Warner**. Retired General Goodpaster testified before this committee that NATO should supersede its current NATO negotiation position with a proposal to reduce NATO and Warsaw Pact Forces to a level of parity that is 50% lower than NATO's current force levels.

Do you think NATO should change its negotiating position?

Admiral **Crowe**. In my opinion, no. The Negotiation on Conventional Armed Forces in Europe or CFE may well be the most complex arms control negotiation ever undertaken. It will address the fundamental balance of power in Europe like no other negotiation since Yalta. Since so much is at stake for both NATO and the Warsaw Pact, a careful considered approach is required. The Western proposal is a good start point and deserves continued support.

It is important to understand that the convening of CFE in March of this year initiated not only a distinct and autonomous arms control forum but also, and most importantly, a substantive process to achieve real stability in Europe at lower force levels in a step by step process. In its 9 December 1988 statement on Conventional Arms Control, NATO stated that once an initial agreement has been reached and satisfactorily implemented further reductions and restructuring will be pursued.

Senator **Warner**. Do you think a 50 percent reduction would increase or decrease stability in Europe?

Admiral **Crowe**. Concerning your second question, I cannot give you a definitive answer. Whether or not East/West parity at 50 percent of NATO's current force level will produce stability or instability is highly speculative and the subject of intensive analysis both here in the United States and in Europe. It is essentially a problem of military ground force allocation which is dependent on five related factors. These are: the mission of the military forces; the threat; the available military forces to accomplish the mission; the terrain; and time available. Changes in any one of these factors will alter the conclusion. With terrain being the constant in the equation, forces thinned to the levels you describe would require NATO to rethink forward defense, maneuver strategy, and the role of nuclear weapons. We have not completed our assessment as to whether these outcomes would improve stability or result in increased instability.

### JOINT OPERATIONAL HEADQUARTERS

Senator **Warner**. After the Grenada operation, there was considerable discussion about the joint effectiveness of the headquarters in charge. Much of what we did in the Congress on the Goldwater-Nichols bill was intended to correct these problems of lack of jointness.

I remain concerned, however, that while we passed a great deal of legislation in this area, we may have had very little impact on jointness at the tactical or operational level. If this is a problem in your mind, what measures have been taken to address it?

Specifically, how does the Joint Establishment (JCS/CINCS) propose to provide on short notice, joint operational headquarters suitably manned, equipped and exercised to a satisfactory level of joint effectiveness?

Follow-up:

If we had another Grenada situation today would there be a difference in how the joint operational headquarters would be formed? Are we better off in this regard now than we were in Grenada?

Admiral **Crowe**. In response to the Goldwater-Nichols Act, the Joint Chiefs of Staff created JCS Pub 5–00.2, Joint Task Force (JTF) Planning Guidance and Procedures. This publication establishes joint planning guidance and procedures for forming, staffing and deploying a JTF for short-notice contingency operations. Specifically, unified commanders/JTF commanders are provided direction regarding JTF HQ composition and manning responsibilities. This publication has been staffed with the Services and unified and specified commanders. It underwent evaluation in the field during BRIM FROST 89 (JTF Alaska and JTF Aleutians) and is currently undergoing evaluation during COBRA GOLD 89 (joint/combined with Thailand).

JCS conducted No-Notice Interoperability Exercises (NIEXs) are designed to concentrate on resolving those interoperability and command, control, and communications ($C^3$) issues which have been documented in lessons learned/re-learned recaps of past joint exercises and contingency operations.

All CINCs have developed a Joint Communications Electronics Operating Instruction (JCEOI) that includes a framework for $C^3$ in contingency operations.

The intertheater COMSEC package, designed for contingency operations, has been effectively used in NIEX and other contingency scenario exercises.

Since Grenada, considerable Joint Task Force experience has been gained through numerous joint exercises. Lessons learned are maintained in the Joint Universal Lessons Learned (JULL) system, at every CINC's disposal to aid contingency planning and execution.

## BURDENSHARING

Senator **Warner**. As we face the prospect of continuing reductions in the U.S. defense budget, the issue of burdensharing takes on greater importance. Despite United States efforts over the past several years to encourage our Allies to contribute more to the common defense, our NATO allies spend relatively little for western security. To use just one example, over the past decade, non-US NATO nations have spent approximately 3–3.5 percent of GNP on defense, while the United States has spent 6–7 percent.

In your opinion, are there any specific initiatives which the United States can pursue that will result in our Allies contributing more to the defense of Europe, or has the time come for unilateral US actions, such as US troop withdrawals from Europe?

Admiral **Crowe**. When comparisons are made with only quantifiable figures, inequities in contributions exist within the Alliance. However, there are a number of non-quantifiable, intangible indicators, such as out-of-area contributions, pressures of hosting large numbers of foreign troops, and government support for alliance initiatives, that also measure nation's contributions. The argument that our European allies spend relatively little for Western security is misleading.

The European countries have grown economically over the past decade and can afford to assume a greater share of the economic defense burden. At the same time, however, the United States cannot force them to assume more by initiating unilateral actions such as troop reductions. Like the United States, the European allies are experiencing budgetary and financial pressures that will limit their ability to increase substantially their financial contributions. Additionally, it is hypocritical for the United States to insist that its European allies pursue a path that the US Government is unwilling or unable to take itself.

Unilateral actions are also counterproductive to a critical component of both US National Security and NATO Strategy: Forward-based defense. Troop reductions add to the perception that the INF Treaty was the first step to eventual US disengagement from European security commitments.

Most importantly, efforts to engage in a unilateral withdrawal in Europe undermine Alliance strategy for Conventional Forces in Europe (CFE) negotiations that began in March. Alliance solidarity, crucial to the success of the INF negotiations, is critical to the CFE process as well. Warsaw Pact incentives to negotiate seriously are reduced if it believes that efforts in the US to reduce troops without requiring East reductions may be successful. The Alliance and the United States cannot allow that to happen.

## U.S. AND ALLIED SECURITY

Senator **Warner**. This committee has recently conducted a series of strategy hearings on the implications of Gorbachev's reforms on U.S. and Allied security. I would like your views on this important issue.

How would you evaluate current developments in the Soviet Union? Do you think Gorbachev's actions to date justify a change in U.S. defense strategy or a reduction in the military preparedness of the U.S. and our NATO allies?

Admiral **Crowe**. The developments in the Soviet Union, of which Secretary General Gorbachev is only the most prominent feature present both an opportunity and a challenge. Perestroika and peredyshka and the determination they represent on the part of the leaders of the Soviet Union to restructure their economy and certain aspects of their society present the West with the opportunity to try to nudge the Soviet Union to a more balanced, stable strategic relationship. Since World War II, the threat posed to Europe by the preponderance of Soviet Air and Ground forces west of the Urals and the ability of the Soviet Navy to complicate the reinforcement of Europe have presented one of the central issues of East West-relations. To the extent that we can forge a more stable security relationship, lower the risk of misperception in a crisis that could lead to war, and allow the Europeans to assume a more complete role in maintaining their own security, we should do so.

There is one important caveat however.

We must proceed on the basis of Soviet capabilities and not our perception of their intentions. Change in the Soviet Union will proceed on its own, to a great extent independent of what we do in the West. We must watch, and where possible guide the process toward our own ends, one of which is rectifying the imbalance in conventional force ratios and NATO's dependence on nuclear weapons for deterrence. But this will be a long term process in which precipitous action, overly optimistic statements, and clumsiness in managing our relations with our allies could undermine the current strategic balance and the political consensus in the United States and in Europe on which it depends. We must not trade the elements of our current security for changes in Soviet strategic capabilities that are prospective or reversible.

So, my short answer is no. We have a good strategy. It has worked. Our forces support stable deterrence because the Soviets understand their demonstrated capabilities. We must, as a prerequisite to prospective changes in our own strategy, gain a detailed understanding of the effects of unilateral Soviet force cuts on strategic warning. And we must now work very hard to develop a thorough understanding of change in the Soviet Union and our own alternatives for force preparedness. Our best opportunity for improving stability may be in the ongoing conventional arms control process. In concert with our allies, it is important that we first marshall domestic and allied political support, offer proposals that reduce the risks and fiscal costs to both sides, and then to lock in the process of reduction with verifiable agreements.

### BOMBER MODERNIZATION

Senator WARNER. Admiral Crowe, it has been proposed that ICBM modernization be advanced at the expense of the SDI and B-2 Stealth bomber programs. Do you agree with the priorities inherent in such proposals? Can the JCS reconcile significant slips in the B-2 program with our START proposal, which places a high premium on bomber delivered weapons?

Admiral CROWE. Senator, the issue of strategic tradeoffs between various systems is a difficult challenge this nation will face in the next decades—not only from the standpoint of fiscal tradeoffs which might occur but, from a stability perspective. I do not advocate ICBM modernization be advanced solely at the expense of the SDI and B-2 bomber programs; nor do I advocate SDI be advanced solely at the expense of strategic offensive modernization.

In a much broader context, the transition from deterrence based on a sole reliance on offensive weapons to a balance of offensive and defensive weapons will be a most critical period in our future. A key to arriving safely through the transition will be how well we manage our strategic offensive modernization programs. We should never allow this nation to place sole reliance on strategic defensive forces—a balanced deterrent force is the only practical and prudent answer.

I have not been opposed to the exploitation of SDI technology when appropriate; it is unnecessary and premature to make the decision to currently commit significant resources from our offensive forces and apply them to SDI. Further, SDI technology development has to occur to examine more affordable technologies and to determine the correct course of action before we proceed and this may require several years of effort. After this developmental time-frame has occurred an incremental deployment Phase I will more than likely extend another several years into the next century. I have said before that SDI is not just sitting out there in the parking lot. What are we to do between then and now?

Strategic offensive modernization is crucial to this equation and our hopes for a safe transition to a balanced deterrent posture in the next century. Through strategic offensive modernization our nation will continue to deploy forces adequate to convince the Soviets they do not have any reasonable chance to obtain their objectives by a nuclear attack on the United States or its allies. By deciding now to continue with the modernization of our ICBMs, SLBMs, and bombers we will solidify the foundation for our strategic capability of the next century and continue to create great uncertainty for the Soviets about their ability to neutralize the U.S. and continue to create a certainty for the Soviets of an effective U.S. retaliation.

Significant slips in the B-2 program should be avoided. If the military were not under the fiscal gun, I would have no hesitation in saying we should continue the current development and production schedule for the B-2 and adjust that schedule if technical challenges surface warranting such an adjustment. However, I think the B-2 program will suffer some delay of its initial operating capability due to budgetary considerations.

In a START regime other weapons that could potentially cover targets assigned to the B-2 will most likely be much more severely restricted than the penetrating bomber. This is a direct result of the stabilizing, non-first strike nature of the penetrating bomber. The current START bomber counting rule has each penetrating bomber and its entire weapons load counting as one weapon. Favorable bomber counting rules are being pursued in recognition of the fact that, due to the projected large target base asymmetry possible facing the U.S., penetrating bombers are the only means of ensuring nuclear sufficiency.

## ANTI-SATELLITE CAPABILITIES

Senator WARNER. Is increased priority being attached to an ASAT capability by the JCS and our warfighting CINCs, and what accounts for this increased priority?

Admiral CROWE. The U.S. military has long had the requirement for a capability to negate threatening Soviet space-based reconnaissance satellites. Soviet space systems represent a growing threat to US land, naval, and aerospace forces, while our own military forces become increasingly dependent on our space systems for warfighting support. Lack of an operational ASAT capability is one of our most important warfighting deficiencies. If there is a perceived increase in JCS priority now, it is probably due to the improved focus of our joint efforts, and the realization that our needs will not be satisfied unless the Congress comes to understand the requirement. The Joint validation of the multicommand (CINCs) requirement for space control capability and the establishment of the ASAT mission need in the DOD acquisition process has helped in defining the focus.

A dangerous and destabilizing asymmetry has been established in space capabilities. U.S. on-orbit systems are highly sophisticated and long-lived and are generally considered to have far superior capability. However, it is obvious that the Soviet Union today maintains an uncontested advantage in their capability to assure control of and access to space. Their massive investments in robust space-based surveillance, navigation, and communications systems, coupled with an operational co-orbital ASAT and several other systems with potential for ASAT capability, indicate clear intent to prosecute warfighting in space throughout the spectrum of conflict. I am convinced that such Soviet systems, current and future, will directly impact US and allied naval and ground forces worldwide should any level of conflict erupt between the superpowers. To bring this strategic imbalance into equilibrium mandates that the United States develop and deploy an effective ASAT capability; not for space supremacy or superiority, but to ensure a measured, balanced response to Soviet space-based weapon systems and ASAT capability.

In summary, lack of a U.S. ASAT capability, clearly focused on negating hostile LEO satellites or even the co-orbital interceptor itself, represents a serious warfighting deficiency. Past military exercises have repeatedly demonstrated that in the absence of a U.S. ASAT capability, the United States has two difficult choices if the Soviets attack and destroy one of our satellites—do nothing or take some other military action that could be dangerously escalatory—such as attacking critical ASAT command and control nodes in the USSR. We cannot continue to relinquish control of space to any potential adversary. The United States must press forward with ASAT acquisition now.

Senator WARNER. What importance do you and the Joint Chiefs attach to the upgrade of the MIRACLE ("Miracle") laser?

Admiral CROWE. Our current efforts to develop a dedicated operational ASAT will not provide an initial capability until the mid-1990s. However, the upgrade of the MIRACLE/SLBD should give us at least some initial ASAT capability against some low earth orbit satellites by the early 1990s. Although the upgraded system will not meet our stated requirements, it will help to counter some Soviet satellites that threaten US and allied terrestrial forces. It will also help to deter potential Soviet ASAT use, and allow us to address directed energy technology issues, while proceeding toward other ground-based laser ASAT systems with greater growth potential, albeit greater developmental risks.

The MIRACLE/SLBD will remain a laser research and development facility and, therefore, will provide its interim, limited ASAT capability on a contingency basis only. This relatively low level investment will help to bridge an urgently needed capability void, while the more expensive, longer-term systems are being developed.

## STRATEGIC FUNDING PRIORITIES

Senator WARNER. The Reagan 5-Year Plan shows significantly more real growth for strategic programs than the defense function as a whole. In your judgment, and in the judgment of the Joint Chiefs, should strategic programs continue to enjoy budget priority as the overall defense budget function is adjusted downward? Some would place more emphasis in ICBM modernization than on other aspects of strategic modernization. Do you and the Joint Chiefs agree that our greatest needs are in the ICBM area thereby justifying the highest budget priority?

Admiral CROWE. I support the priority strategic programs have in the overall Department of Defense budget. Over the last several years, strategic programs have averaged approximately 10 to 13 percent of the total defense budget and, in the amended fiscal year 1990/1991 budget, these programs represent 11 and 11.4 percent of the department's budget, respectively. Strategic programs are expensive, but I believe this modest investment is essential for the United States to maintain the necessary deterrent capability. Strategic program costs, and the associated deterrent value they provide, are mild compared to the cost this Nation would pay if our forces were ever perceived by the Soviets to be insufficient to deter. After people, strategic modernization is our number one priority and the amended fiscal year 1990/1991 budget supports a program committed to increase the survivability and endurance of our strategic forces. In my view, strategic modernization is vital for our nation to maintain general nuclear parity with the Soviet Union and the programs we propose are necessary for our overall defense posture.

As I discussed in answering the earlier question concerning bomber modernization, I do not advocate ICBM modernization at the expense of the remaining strategic systems. We have developed a strategic modernization program that includes all three legs of the TRIAD and we have tried to structure the required budget reductions to maintain that program. Strategic modernization is vital to ensure deterrence as the Soviets continue to improve their strategic systems and especially as we proceed toward a START regime. Now that we have reached a decision on the method to modernize our ICBM force we will propose to fund it appropriately but not at the expense of the ongoing modernization programs of the other TRIAD legs.

### WORST CASE SCENARIO

Senator WARNER. Your testimony states that "In deep crisis, a nuclear power might act in a desperate and irrational fashion and launch an attack on the United States with limited or no strategic warning". Does the statement imply that a "deep crisis" would not itself constitute strategic warning for purposes of making our strategic forces more survivable?

Admiral CROWE. A "deep crisis" would certainly raise our assessment of the likelihood of war. U.S. forces take those actions deemed prudent for self defense and for protection.

But remember, strategic warning derives from detectable *military* aspects of war preparation. In the uncertainties of a confrontation, especially with a nuclear power convinced it had to use nuclear weapons to survive, it is conceivable that the political decision for use of nuclear weapons might precede or preempt that nation's normal and expected mobilization process. This is why our nuclear strategy and potential doctrine are geared to the warning times incident to a first strike by an adversary. So, my answer is that, no, the crisis itself might not provide unambiguous warning of a nuclear attack, while it would probably raise our assessment of the likelihood of war and provide indications of the readiness for war of the opponent's armed forces, nuclear and conventional.

### FUTURE SECURITY ENVIRONMENT

Senator WARNER. What are the factors in our future security environment which are growing in importance, in your view?

Admiral CROWE. In my view there are several basic factors. Of very great importance are changes in the relative military power of different states, and the levels of military spending and military technology that different states are willing and able to support. China, Japan, and Western Europe will likely have greater relative power than in the past. Depending on how the Soviets deal with their economic and technological backwardness, the Soviet Union may be relatively less powerful than today. And the United States, depending on how we deal with our own problems, may not be as militarily superior as we have been in the past.

Another related trend of great importance to our long-standing strategy is deteriorating U.S. foreign access, including bases and overflight rights.

Calls for restructured alliances are a potentially great change in the security environment of the future, since U.S. military strategy is currently based on the principle of coalition warfare to meet common threats.

New military technologies will also change the future security environment. For example, longer-range, more powerful, more accurate weapons will make for a more lethal battlefield. Space systems will become even more important.

The potential for low intensity conflicts the Third World will probably remain the most probable form of conflict that could involve the United States for at least the next 10 years.

Of growing concern is the increased targeting of U.S. personnel and facilities by terrorist groups, with the greatest risk to U.S. and NATO facilities in Europe coming from perpetrators from the Mid-East.

The proliferation of nuclear weapons that could seriously disrupt international nuclear stability is of grave concern.

The proliferation of chemical and biological weapons could reach epidemic porportions and the increasing problem of international drug trade is of increasingly grave concern to the United States.

Senator **Warner**. What are your concerns for our security environment 5, 15, or 25 years in the future, which might affect our budget deliberations today?

Admiral **Crowe**. The nature of the Soviet threat over the next 10–20 years is not clear, and I am concerned whether projected budgets will be adequate to ensure a quality military to deter potential Soviet aggression against the United States and our allies. I have concerns that the link between drug traffickers, insurgents and terrorists that could grow and require a substantial amount of military support to law enforcement agencies. Concerns for keeping our nuclear deterrent force modern in order to deter not only the Soviets, but countries which could emerge as nuclear powers. I am concerned if future budgets will support research and development in all areas of present and potential application to military needs to keep pace with, and emerging threats in the future. I am concerned about whether the level and distribution of security assistance will be adequate to keep the peace in countries where otherwise U.S. forces might become involved in conflicts. Given the inherent lead times for new systems, I am concerned whether sufficient budgetary support is given today to build the force structure of the future that will be needed to implement our evolving military strategy to protect our enduring national interests.

### NATO VERSUS NON-NATO

Senator **Warner**. In your statement on page 13 you said that we have requirements for varied military forces, and that the ones optimized for fighting in Europe are not necessarily the ones we should have for actions elsewhere in the world.

Are you saying that we should begin to shift the balance in our military forces and place greater emphasis on those forces which are useful for fighting in places other than the Soviet Union?

Admiral **Crowe**. No, not yet. We should study very hard how we might reconfigure our forces *if* and *when* the Soviets remove from the European continent the spectre of their asymmetrical capability to conduct an air-land offensive campaign in Europe. Until then, we must guard against the existing Soviet advantages in land combat power and their formidable air forces. This requires that the bulk of our forces train for the defense of Europe.

We still have a very robust capability for lesser contingencies elsewhere, namely the ability to project from the sea up to a MEF and support it with an Airborne Division and follow with a force of two Army light Divisions, a Mechanized Division and an Airmobile Division supported by Special Operations forces and tactical air forces. This can be done without cutting into the so-called M+10 force we have committed to Europe, though our ability to deter in Europe while containing a major contingency depends on available strategic lift.

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## Questions Submitted by Senator John McCain

### STRATEGIC PLANNING

Senator **McCain**. Could you provide a description of the present strategic planning and net assessment process within the Joint Staff, and of precisely how it impacts on the planning, programming, and budget cycle within the Department of Defense?

Admiral **Crowe**. The strategic planning process is a flexible and interactive system involving myself, the Service Chiefs, and the CINCs, to provide supporting military advice for the PPBS and strategic rationale for Joint OPLAN development.

The strategic planning process begins with an examination of the national security strategy and an intelligence assessment. Several force, resource and strategy options are then evaluated to develop a recommended military strategy and fiscally constrained force levels, to support national military objectives. This recommended strategy with fiscally constrained force levels, and the force levels required to assure accomplishment of the national military strategy, are then forwarded to the Secretary and President with options, an assessment and an evaluation of risk. Following presidential approval of the national military strategy and force levels, and congressional appropriations, forces are apportioned to the CINCs for development of global and regional contingency plans.

Net assessments are an integral part of the strategic planning process. Early-on in the process, net assessments are used to evaluate the military options that form the basis for the recommended strategy and resource levels. Later, after the Services have developed their recommended programs a net assessment is used to evaluate the composite joint warfighting capability. Finally, when the Department of Defense submits its budget to Congress a net assessment is also provided.

The strategic planning process and planning, programming, and budget cycle interact at several points. The national military strategy recommended during the strategic planning process provides the strategy basis for the Defense Guidance, the "start" of the programming cycle. Following publication of Service POMs the planning process requires an assessment that supports the Defense Resources Board deliberations. Most importantly, however, is that I use the information developed in the strategic planning process to assess, review and comment on various PPBS deliberations.

## GOLDWATER-NICHOLS BILL

Senator McCain. Could you provide a description of how this process has changed since the enactment of Goldwater-Nichols?

Admiral Crowe. Previously, the JCS provided the planning force required to support the national security objectives and assess the risk associated with the projected force capabilities. Goldwater-Nichols legislation has had a significant impact on this process.

One of the most important changes has been the increased participation by the CINCs in both the strategic planning and PPBS processes. This has increased the joint community ability to take a broad, global perspective and to align resources with theater missions and needs. To the extent possible, within a strategy of worldwide scope, the warfighting needs of the individual combatant commanders are being met and certainly they are heard more systematically than ever before. Examples include the CINC's participation in development of the Defense Guidance, the national military strategy, and net assessments. The CINCs also provide specific deficiency lists that I use to advise the Secretary regarding commander's requirements.

The strategic planning system was also revised to include fiscal guidance in the development of strategic plans. This means that the national military strategy and associated force levels to attain national security objectives in the planning period are constrained by the fiscal guidance provided by the President through the Secretary on Defense.

Goldwater-Nichols legislation also required that I advise the Secretary on critical deficiencies in force capabilities identified during the preparation and review of contingency plans. To that end I am preparing a report that will evaluate the CINC's global war operations plans. This report will evaluate the extent to which operations plans incorporate policy guidance, identify strengths and deficiencies in force capabilities, and assess the effect of identified strengths and deficiencies on the ability to accomplish national security objectives and policy. Identified warfighting deficiencies will be input to the strategic planning and PPBS processes.

Goldwater-Nichols legislation also gave me responsibility for performing net assessments to determine capabilities of the US armed forces. These assessments are proving to be extremely valuable components of the strategic planning process. Net assessments are used to evaluate different strategic options, to assess Service recommended programs, and to support the defense budget submission.

## JOINT STAFF STRATEGIC PLANNING

Senator McCain. What steps do you currently plan to take to further improve the Joint Staff strategic planning and net assessment efforts? What are the current strengths and weaknesses of this process and what weaknesses do you feel need to be addressed during the current year?

Admiral Crowe. As I have said, the net assessment process is getting better each time we do it, but we still have a way to go. Process is being adjusted to better align the various assessments we are conducting and to ensure we provide the Secretary of Defense and the President with the most accurate evaluation possible. We plan to increase the number of scenarios examined, improve our ability to perform variations using our analytical models, broaden our base to take advantage of information resident in industry, educational institutions, individuals, etc. Likewise, we are looking at ways to make the Joint Strategic Planning process even better. The strengths of the net assessment are in the broad base of knowledge and experience we are able to tap. Any weakness may be in the time it takes to gather and coordinate information among that very same group of people and in the range of scenarios we are able to examine, although we are making good progress in this area.

### IMPROVING JOINT RELATIONSHIP

Senator McCAIN. What can be done to improve the interface between the Joint Staff, the intelligence community, and OSD (NA)?

Admiral CROWE. As I have said, we are continuing to improve this relationship. Not only do we solicit the advice of these agencies and coordinate with them during development of the assessments, we sit together as the Net Assessment Coordinating Committee, for a final review.

### TERMS OF REFERENCE

Senator McCAIN. What can be done to ensure that the net assessment effort reflects the independent military judgment of the Chairman and Joint Staff and that coordination is limited to a suitable level?

Admiral CROWE. The Terms of Reference developed for net assessments in early 1987 provide for just this type of independent effort. As with all matters of military advice, there is provision for dissenting views by the Chiefs. We currently have about the right balance and the Services and CINCs are full participants.

### SCENARIO PLANNING

Senator McCAIN. What can be done to ensure that the scenarios used for planning are suitably realistic and that a suitable range of scenarios are examined? Is the use of a worst case planning scenario with a war beginning in Southwest Asia a proper way of dealing with today's politico-military environment?

Admiral CROWE. To answer the last part first, the scenario that postulates a war beginning in Southwest Asia only provides a basis and continuity for assessment. Although we recognize this may not be the actual scenario, it does offer a consistent framework for an appropriately stressful set of circumstances. This allows us to assess our full range of conventional armed and supporting forces as they perform both simultaneous and sequential global operations. As to the first part of your question, in future reports, in addition to this stressful scenario, we will examine a range of scenarios, particularly for the regional and lower intensity cases. As with the stressful scenario, variations will be examined to see if there would be significant changes given a modification in the scenario.

### WARGAMING AND SIMULATION

Senator McCAIN. What can be done to speed up the process of analysis and to avoid any excessive dependence on wargaming and simulation?

Admiral CROWE. There has always been a dilemma in deciding how much emphasis to place on wargaming and simulation. Given rigorous models, good analysts and a clear understanding of limitations, these tools can be quite useful—and they are continuing to improve. Dynamic simulations can provide much useful information concerning probable outcomes of force on force engagements. Politico-military gaming, likewise can provide certain insights into decision making processes and likely outcomes. It is always prudent to use these wargames and simulations only as a part of the larger framework of the assessment. We have in the past placed considerable emphasis on analytical methodologies that were cumbersome, complex, but necessary in order to gain the degree of insight needed to understand the strengths and weaknesses of various options. The process takes significant investments in manpower and time. The newer higher technology analytical models, which we are moving toward, allow faster turn around while offering the required level of understanding. As a result, we expect to see continuous improvements in the assessments.

### BUDGETARY ADJUSTMENTS

Senator McCAIN. What can be done to ensure that the net assessment can be rapidly updated to reflect the budget and FYDP actually approved by the Secretary of Defense and the President?

Admiral CROWE. As was stated previously, new analytical models are helping speed the process. A net assessment of the kind we want to produce is necessarily somewhat lengthy and complex. Small changes in the budget and FYDP generally can be quickly accommodated, but the magnitude of the recent budgetary adjustments, combined with global uncertainties, primarily as a result of the Gorbachev initiatives, have changed fundamental pieces of the equation.

### UNDERSTANDING NET ASSESSMENT

Senator McCAIN. What can be done to ensure the timely coordination and release of the documents required by Congress, and to provide the kind of in-depth unclassified net assessment needed to explain and justify the U.S. defense program to the American people?

Admiral CROWE. As was stated before the only major impediment to the process is changing budget guidance or less often, a changing global political climate. The coordination and release process is fairly straight forward. This year, because it was our first go-round, it took longer than expected primarily because I wanted to ensure that it took a broader perspective and reflected my personal views. Explaining the defense program to the American people is a difficult proposition. Their opinions are formed by a wide-ranging combination of long-term acculturation and the more immediate exposure to the media. While we would like to think that the net assessment is persuasive, the direct audience will be very, very small. Realistically, that audience will be Congress, institutions of higher learning, and the media. To the extent that it is discussed by Congress and portrayed accurately by the media, it could then contribute to the American public's understanding of the net assessment.

### MANAGING NET ASSESSMENT

Senator McCAIN. How is the current net assessment effort in the Joint Staff organized, staffed, funded, and coordinated? What steps are being taken to develop a strong professional group with suitable continuity of expertise and leadership? Can this be done within the Joint Staff or is some independent net assessment agency or group outside the Department required?

Admiral CROWE. I gave the responsibility for managing the net assessment to my Director for Force Structure, Resource, and Assessment, J-8 in January of 1987 and it has remained there. This directorate has the requisite resources to develop and coordinate this complex task both within and outside of the Joint Staff, the Services, and the Department of Defense. As their title implies, they touch structure, resources, and assessment, and by drawing on the expertise extant in the Joint Staff, notably the Strategic Plans and Policy Directorate, J-5, the Operational Plans and Interoperability Directorate, J-7 and the Logistics Directorate, J-4, they have a formidable reach. The Terms of Reference governing the net assessment process includes a planning board and analysis work groups that include all Joint Staff elements, the Services, and the Defense Intelligence Agency. As stated earlier, the Net Assessment Coordinating Committee is also a fundamental part of the process and includes numerous elements of OSD, to include the office of Net Assessment, and the various members of the Intelligence Community. At this point, much of the detailed work on regional assessments that we seek is being done by the office of Net Assessment. Funding to this point has therefore, been adequate, although if we decide that some contract work would provide a stronger product, some increase may be required. Net Assessments should continue to be performed by the Joint Staff. Our plan for increased utilization of the expertise resident in OSD, industry, and institutes of higher learning will result in an even stronger and more useful product.

### MILITARY NET ASSESSMENTS

Senator McCAIN. What is the role of the Joint Staff in net assessment relative to that of OSD(NA) and other elements of the Department of Defense? Can you provide a description of the current relationships with each element of DOD and a description of how you feel these relationships can be improved?

What is the role of the Joint Staff in net assessment relative to that of other elements of the interagency process? Can you provide a description of the current relationships with each element of the interagency environment, and a description of how you feel these relationships can be improved?

Admiral CROWE. The Joint Staff, on my behalf, leads the development and preparation of Military Net Assessments. In conducting net assessments the Joint Staff draws upon many sources in order to achieve a comprehensive assessment of military capability. Other elements that participate directly are each of the four Services, the Intelligence Community, and the Commanders in Chief of the Unified and Specified Commands. However, the final opinions expressed in these net assessments are mine and not necessarily others. Close coordination is accomplished with ASD(PA&E) to ensure consistency of data and in development of the Government Database. OSD(NA) who performs more regional or topical and politico-economic assessments in selected areas, has started to participate in the military net assessment process by reviewing and commenting on draft military net assessment products. It is anticipated that such a supportive OSD relationship will yield increasingly more comprehensive and substantive assessments. Additionally, the OSD—Joint Staff—Interagency relationship is separately enhanced through a formal net assessment review process co-chaired by the ASD(ISA) and Director, Joint Staff that subjects all DOD net assessments to detailed review and analysis. Improved automation with the CINCs is key to their enhanced participation in the process. Confidentiality of alternative considerations and discussions, and of proper interpretation of wargaming assumptions and results, as well as protection and proper treatment of classified operational planning data is essential to enhanced participation of elements outside the services and Joint Staff.

### REPORTS TO CONGRESS

Senator MCCAIN. We now have a wide range of reports to Congress that are issued at many different levels and that report on strategy, net assessment, and the threat. Would you provide a list of these reports and describe the input the Joint Staff makes to each report. Would you provide your suggestions as to how these reports can be consolidated into an effective mix of documents that clearly ties strategy to the presentation of the budget and FYDP, explains the threat and military balance, and justifies each major role and mission by providing a description of the strategy being used by the MNC, the justification for the budget and FYDP, and a supporting net assessment?

Admiral CROWE. Of the 661 reports to Congress required in 1989, many deal directly with strategy, net assessments and the threat. Using a narrow definition, the following reports are required:

Secretary of Defense Annual Report on the biennial budget, outlines net assessment, military balances, US defense policy and strategy, and defense programs.

Chairman's Net Assessment, required annually classified and unclassified annual net assessment of US capabilities, strategy and trends.

ABM Capabilities and Activities of the Soviet Union, due Jan. 89, reports results of the study, to include appropriate recommendations.

Report on Manpower, Mobility, Sustainability, and Equipment, due Feb. 89, reports the readiness of Armed Forces to perform their assigned missions.

Readiness Indicators. Incorporates flying hour and ship operation goals and objectives and related costs. Also includes an explanation of variances.

Mobilization and Deployment Delays For NATO and Warsaw Pact Forces, due Mar. 89. Time required for U.S. air and ground forces to enter combat in Europe, to include unit information and minimum acceptable delays as well as certain Allied and Warsaw Pact Data.

Submarine/Antisubmarine Net Assessment, due Jan. 89. Net assessment of U.S. and Soviet submarine/antisubmarine warfare forces in year 2000.

Report on Small Patrol Boats of the Navy, due Dec. 88. Reports the capabilities of Navy to carry out specified missions.

Report on Initial Review of Unified Command Plan and Initial Review of Service Roles and Missions, due Apr. 89. An assessment of the review of the Unified Command Plan, and the review of Service roles and missions.

Burdensharing Initiatives Long Term commitment, due Aug. 89. Review of U.S. long term strategic interests overseas to include future requirements for troops abroad and actions to more balance the burden.

To get a more accurate picture of our reporting requirements, those reports that deal with strategy issues, status and capability of forces, roles and missions and the threat must also be included, so the following reports are added to the list:

Close Air Support/Battlefield Air Interdiction. Report modifies FY88 report, and examines issue of close air support/battlefield air interdiction.

AH-64 Attack Helicopter. Report is to gain approval of the Army helicopter modernization program.

Multiple Launch Rocket System. Reports the results of force structure evaluation as well as various proposals to enhance current conventional capabilities.

M-1 Abrams Tank Plan. Deals with equipping the National Guard with M-1 tanks and to upgrade 105mm gun tanks to 120mm cannons.

Ammunition Master Plan. Long range ammunition plan.

Mine/Countermine Program. Mine threat and proposed programs to counter the threat.

Fleet Satellite Communication. Deals with the feasibility of adding EHF telemetry and communications to the follow-on FLTSATCOM programs.

Tanker, Transport, Trainer Systems. Reiterates the FY88 report for trainer aircraft master plan.

Common Electronic Countermeasures Equipment. Tactics or alternative systems that may be used for the protection of EF-111 aircraft.

Tactical Air Control Systems Improvements. Progress made with obtaining NATO commitment to the program.

Electronic Counter Measure System. Hostile Air Defense capabilities projected for the 1990-1995 time frame and the resources needed to overcome these defenses during deep interdiction operations.

Follow-on-Forces Attack. Define near-term and mid-term FOFA objectives.

Major non-NATO Allies. Report changes in the countries in the major non-NATO ally category.

Radar Warning Receiver Test and Evaluation Program. Reports status of test and eval program.

Army Command and Control Systems. Development of the Advanced Field Artillery Tactical Data System (AFATDS).

Light Forces Vehicle. Review of the requirement for a new vehicle for light forces.

High Frequency Anti-Jam/Link Eleven Improvement Program. Future budget for a defense wide anti-jam high frequency program.

Long Range Conventional Cruise Missiles. Overall use of stand off weapons program.

Contract Airlift for U.S. Southern Command. Extent requirements are met and assess impact on future O&M budgets.

Implementation of Medical Readiness Initiatives. The strategy to attract additional health professionals into the reserve service.

Panama, (3 reports). Policy and plans for the U.S. military withdrawal from Panama, and limitations on assistance to Panamanian Defense Forces.

Panama. DoD activities in Panama during the next five years.

Deactivation of 474th Tactical Fighter Wing, Nellis AFB, Nev. Feasibility of establishing an Air Guard unit in southern Nevada.

Vertical Launch ASROC. Rationale for the decision and how the program will be restructured.

Bomber Modernization. Reiterates FY88 report on progress with the B-1B electronic warfare system.

Advanced Tactical Aircraft/Advanced Tactical Fighter-Air Defense. Analysis of future fleet air defense requirements.

The Defense Industrial Base-Various Studies. Studies including the Under Secretary's analysis, the Defense Science Board Summer study on industrial base policy and the Office of Technology Assessment's review of our industrial and technology bases.

NATO Intergrated Brigades and Battalions. Potential political and military merits of establishing integrated multinational brigades or battalions within NATO to perform border covering missions.

Tank Barriers, (two reports). Reiterates FY88 report on tank barriers and technology options and the utilization of existing barrier programs as part of NATO forward defense strategy.

Special Operations Targeting. Targeting capability of U.S. special operations forces.

NAVY Aircraft Requirements. Current and projected requirements for Naval aircraft.

Long-Range Conventional Cruise Missile. Plans and projected expenditures for the program.

B-1B Bomber Programs. Reiterates FY88 report on independent assessment of B-1B electronic countermeasures capability.

Space Control. Space Control capabilities of the Armed Forces.

Soviet Compliance with Arms Control Commitments. Revised matter on Soviet treaty compliance.

Annual Report on Arms Control Strategy. Comprehensive discussion and analysis of the arms control strategy of the U.S.

Drug Interdiction (6 reports). Past effectiveness and potential use of the Guard and Reserve in drug intervention, justification for transfer and relationship to the drug interdiction strategy, and legislative proposals and funding estimates to enhance the drug interdiction capability.

U.S. Bases in the Philippines, (2 reports). Costs and benefits of maintaining U.S. bases in the Philippines to include strategic value and potential alternative locations, and an assessment of security.

As you can see, some of these reports concern strategy, some forces, and still others concentrate mainly on the effectiveness of weapon systems. When we build a net assessment we endeavor to bring these and the countless other relevant factors together and determine their effect in synergy. There is alway a danger when examining a single issue by itself to focus too narrowly and fail to consider the full range of impact. In this regard, it would be helpful to consolidate many of these reports. I suspect that they would also be a savings in time and effort. Here, it may be helpful to point out that a net assessment considers the net effects of the interaction of two sides, whereas an ordinary assessment may only concern the cost or mean time to failure of a particular system. Thus, it would not be helpful to consolidate some of the reports. One of the most helpful sources of information continues to be the Secretary of Defense's annual report to Congress, which is unclassified. This report presents the budget and links it to the national strategy. Additionally, it explains the threat and military balance, and justifies roles and missions based on threat and national objectives. The Joint Staff is, of course, deeply involved in the preparation of the report, and it represents a good, available, unclassified statement of US military goals, objectives and force status. The unclassified Military Net Assessment, of course, provides an excellent supplement/complement to the Secretary's report. As we continue to improve the net assessment, we will be better able to weave this tie of strategy to mission to forces to budget.

### PRESENTATION OF DEFENSE BUDGET TO CONGRESS

Senator McCain. What do you feel can be done to improve the overall presentation of the defense budget to Congress in a way that will allow the Congress to fully understand the risk inherent in a given level of funding for each major mission or command? Would some form of mission budgeting be preferable to the current line item or "program" budget?

Admiral Crowe. I believe that the current line item or "program" budget is satisfactory. The Joint Military Net Assessment (JMNA) presents an accurate picture of the capabilities of the US Armed Forces within fiscal constraints. The JMNA also identifies certain deficiencies in the capabilities of our forces. The JMNA was performed based upon the resources contained in the FY 1989 Amended Budget and the five-year defense program with assumed growth of 2 percent. One of the principal responsibilities that the CINCs, Service Chiefs and I have during congressional testimony is to fully explain the risks that are associated with the defense budget. Our allocation of defense resources is designed to be as balanced as possible to provide the Armed Forces maximum flexibility to accomplish a variety of missions. Of course, any budget that is under fiscal constraints has certain risk associated with it. We currently budget to a specific mission as spelled in our National Security Objectives and as stated in my prepared statement: "Maintain security of our nation and our allies by deterring aggression, repelling or defeating any attack should deterrence fail, and ending the conflict on terms favorable to the United States, its interest, and its allies; and respond to the challenges of a global economy by heeding economic factors that affect our national security, tending to foreign sources of supply in critical areas, and limiting the vulnerability of our supply lines." I believe that the budget as submitted maintains a reasonable balance and will provide a high return on our investment.

### PERSONNEL POLICIES FROM GOLDWATER-NICHOLS

Senator McCain. Do the present personnel policies resulting from Goldwater-Nichols effectively contribute to the creation of a truly professional Joint Staff, or is there excessive rotation of personnel and "ticket punching" in strategic planning, net assessment, and other areas requiring continuity and special expertise? Do you feel any changes in legislation are required to strengthen the role and personnel of the Joint Staff?

Admiral CROWE. As you may be aware, my staff had the lead in developing the personnel policies necessary to implement the joint officer management provisions of the Goldwater-Nichols Act and the subsequent amendments. We worked closely with the Services and OSD to ensure these new policies would achieve the objectives of the law while fully complying with it in spirit and intent. Owing to the renewed emphasis on jointness and joint experience, the Service Chiefs and I work to realize an appropriate Service mix of quality officers are assigned to the Joint Staff. We have totally taken on the jointness imperative, and I see no evidence of "ticket punching". We are working toward the statutory tour length averages and are already beginning to see positive results in improving continuity and experience of the officers assigned. Additionally, as evidenced by key quality indicators (e.g., promotion, command selection, and residence professional military education selection rates), the Services are nominating and assigning outstanding officers to the Joint Staff across the board. We are making significant progress in this regard and it would be premature to recommend changes aimed at strengthening the role and personnel of the Joint Staff until we have had sufficient time to judge our efforts and determine what shortcomings, if any, still exist.

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## QUESTIONS SUBMITTED BY SENATOR SLADE GORTON

### DEPOT MAINTENANCE, SHIP OVERHAULS AND REAL PROPERTY MAINTENANCE

Senator GORTON. From the indicators we have received from budget data, all of the services are anticipating a backlog in depot maintenance, real property maintenance, and ship overhauls. These accounts are usually your first indicators of:

1. Inadequate readiness and logistic funds to support current force levels; and
2. Coming shortfalls in weapon systems availability and spare parts—to the detriment of military capability. Admiral Crowe, do these indicators bother you and, if they do, how do you plan to correct these trends?

Admiral CROWE. Although current high levels of readiness in our combatant commands have not been significantly affected by these programs, I am concerned that projected maintenance backlogs will have such an impact on the readiness and sustainability of these forces. Reduced funding levels in these programs mean that the Services must, to some extent, sacrifice long range objectives to pay for short-term OPTEMPO and training needs.

Ideally, I would like to see these programs fully funded to preclude any negative impact on readiness and sustainability. Unfortunately, the Services and OSD have had to make many tough choices to stay within the guidelines of the President's amended budget. Secretary Cheney has presided over this process wisely. While the growth in maintenance backlogs could affect readiness and sustainability in the future, I believe we have achieved a reasonable balance given fiscal realities.

### STRATEGIC OFFENSIVE/DEFENSIVE INTEGRATION

Senator GORTON. Admiral Crowe, on the bottom of page 8 of your testimony, you write: "Even if we wanted to shift more resources into a defensive posture, we cannot stop investments in the modernization of our ICBMs, strategic bombers, and ballistic missile submarines. With the deep reductions associated with START, such investments will become more, not less, important."

While I agree that START will require strategic modernization to ensure the survivability of our START-reduced strategic forces, I wonder if there could not be some trade-offs between certain aspects of the modernization program and resources devoted to systems that could move us into a defensive posture or a mix of offense and defense.

Some have suggested that instead of investing in more offensive weapons, that we take a look at protecting the ones we already have. This means building a missile defense system capable of protecting our missiles, bombers, and submarine bases, and the command and control facilities. These same proponents of missile defenses suggest that, dollar for dollar, spending on defensive weapons buys you a lot more than spending on offensive weapons. For example, defenses buy you: (1) protection of your retaliatory forces and command and control apparatus, thus removing Soviet incentives to strike first in a crisis; (2) depending on the extent of the defense, some protection for the American people, whether from an accidental launch or a missile fired by some rogue third country; (3) more comfort with a START agreement that will be very difficult to verify. By deploying defenses, we can tolerate a higher level of uncertainty regarding the level of Soviet nuclear forces.

My question to you, Admiral, is how would you feel about giving up certain aspects of our strategic modernization program if those funds could be devoted toward missile defenses that would ameliorate the survivability problem associated with existing U.S. forces and those that would be deployed under a START regime?

Admiral CROWE. The issue of strategic offensive/defensive integration is one of the most difficult challenges this nation will face in the next decades—not only from the standpoint of fiscal tradeoffs which might occur but, from a stability perspective. The transition from deterrence based on a sole reliance on offensive weapons to a balance of offensive and defensive weapons will be a most critical period in our future. A key to arriving safely through the transition will be how well we manage our strategic offensive modernization programs. We should never allow this nation to place sole reliance on strategic defensive forces—a balanced deterrent force is the only practical and prudent answer.

I believe the United States should exploit SDI technology when appropriate. At this time it is unnecessary and premature to make the decision to currently commit significant resources from our offensive forces and apply them to SDI. Further SDI technology development has to occur to examine more affordable technologies and to determine the correct course of action before we proceed and this may require several years of effort. After this developmental time-frame an incremental deployment of Phase I will more than likely extend another several years into the next century. I have said before that SDI is not just sitting out there in the parking lot. What are we to do between then and now?

Strategic offensive modernization is crucial to this equation and our hopes for a safe transition to a balanced deterrent posture in the next century. Through strategic offensive modernization our nation will continue to deploy forces adequate to convince the Soviets they do not have any reasonable chance to obtain their objectives by a nuclear attack on the United States or its allies. By deciding now to continue with the modernization of our ICBMs, SLBMs, and bombers we will solidify the foundation for our strategic capability of the next century and continue to create great uncertainty for the Soviets about their ability to neutralize the United States and continue to create a certainty for the Soviets of an effective United States retaliation.

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## QUESTIONS SUBMITTED BY SENATOR TRENT LOTT

### AMPHIBIOUS SHIPPING SHORTFALL

Senator LOTT. Some say that we have an amphibious shipping shortfall—and that it undermines the Maritime Strategy—that by the turn of the century we may lack capable amphibious ships necessary to support viable power projection. Has the Navy placed adequate emphasis on amphibious shipping?

Admiral CROWE. Starting in 1996 and continuing over the next 15 years, a total of 43 amphibious ships are expected to become obsolete and be removed from the active force. To both attain and sustain our defense goal of being able to lift a Marine Expeditionary Force (MEF) and a Marine Expeditionary Brigade (MEB) the Navy will build an LHD every other year for a program total of 10, and one LSD-41 (CV) every year for a program total of 12. To attain the MEF + MEB lift capability, the Navy must additionally fund a new start for the LX in 1996. In light of projected block obsolescence, sustaining the required lift capability will imply building 3 LX ships per year, beginning in 1998. Sufficient amphibious shipping has been planned to attain and maintain a MEF plus MEB lift capability, but due to affordability, programmed procurement in the POM could lead to failure to attain or sustain the MEF plus MEB lift goal by the year 2000, if at all.

Senator LOTT. How important do you view the force projection role of the new amphibious assault ship—the LHD—which the Navy will start commissioning this summer with the *Wasp* which is, I believe, the first of five programmed by the Navy?

Admiral CROWE. The LHD is very important to maintaining U.S. capability to project power ashore. In an increasingly complex world in which even Third World countries may have a sophisticated military capability, the force projection role of the LHD amphibious assault ship becomes more important. Our most likely enemies in any scenario across the spectrum of conflict tend to be organized, trained, and equipped along Soviet lines—and even Third World countries are likely to have only slightly less capability initially against an attempted amphibious landing. A Soviet motorized rifle division is a notional model for the level of threat which amphibious forces could face in a number of countries. We believe that the threat requires the maintenance of capability to conduct MEF-level amphibious assault operations against a hostile shore.

### LANCE MISSILE SYSTEM

Senator LOTT. Admiral Crowe, there appears to be considerable resistance in NATO to plans to modernize our short-range nuclear capable "LANCE" missile system.

Would you elaborate on the importance of modernizing "LANCE" and how it fits into our conventional force equation?

Admiral CROWE. It is important to modernize the Lance surface-to-surface missile for the following reasons:

a. Inadequate range to fight deep battle (maximum range 115 km).

b [Deleted.]

c. [Deleted.]

d. LANCE is manpower intensive (72 personnel per launcher vs. 17 per Multiple Launch Rocket System (MLRS) launcher).

e. [Deleted.]

f. To allow LANCE to be retired without replacement would leave NATO with no land-based systems with a range between artillery and strategic systems.

g. This would effectively create a unilateral "third zero" (no nuclear surface-to-surface missiles in Europe) that the Alliance has maintained must be avoided.

h. NATO's dual-capable aircraft (DCA) would have to be committed to nuclear missions not currently assigned, further degrading NATO's conventional force capabilities.

With respect to the conventional force equation:

a. Having a dual-capable MLRS launcher enhances conventional close- and deep-fire capabilities while providing a highly survivable nuclear deterrent. It will have a dramatic effect on NATO's conventional firepower capabilities. For example, [deleted.]

b. [Deleted.] This would restrict the survivability and operational flexibility of the FOTL force and NATO's overall nuclear posture in Europe.

c. Retention of LANCE would impact adversely on NATO's conventional capability. After [deleted]. The force structure required to maintain LANCE will not be available to enhance NATO's conventional capabilities.

### STRATEGIC HOME PORTING

Senator LOTT. Admiral Crowe, I have a special interest in the strategic Home Porting Plan—since under it the Navy, along with state and local authorities, is constructing a new base at Pascagoula, Mississippi. The first of four surface combatants are scheduled for home porting there beginning in 1991. I am sure that all those sailors will find Pascagoula hospitality especially warm.

Would you comment on the contribution of the home porting plan to our maritime strategic posture?

Admiral CROWE. The Strategic Homeporting Plan allows our maritime forces to be distributed throughout the continental United States in the most operationally effective way. By not stationing these naval forces in areas where they previously have not been stationed allows the operational commander to have ready, capable forces more immediately available to support our national interest for both wartime and crisis response.

For example, we have homeported a carrier battle group in Washington, much closer to its potential wartime operating areas in the North Pacific. From there it can conduct vital sea control missions, maintaining the essential sea lanes of communications across the northern Pacific to our Asian friends and allies.

Likewise, the homeporting of an aircraft carrier, a battleship and their escorts in cities along the Gulf of Mexico provides unparalleled flexibility for the nation. Over half of the resupply and reinforcement shipping required for a European war will embark from Gulf ports. It is vital that we control the seas throughout the Gulf of Mexico, particularly in light of the constrained straits that this shipping must pass and the presence of potentially hostile states in the region. Moreover, the political instability of the Gulf region and the propensity for Soviet client states to exploit and exacerbate that instability (e.g. Grenada and El Salvador) requires our national leadership have military options available to deal with any crisis which may threaten our interests.

Finally, the strategic homeporting plan disperses our fleet and makes it less vulnerable to a preemptive attack. This applies not only to a preemptive nuclear first strike, but also to a conventional attack, possibly by cruise missile firing submarines. However, the mobility and versatility of naval forces still allow them to quickly sortie and rendezvous to form a formidable fighting force.

[Whereupon, at 12:18 p.m., the committee adjourned.]

# INTERNATIONAL SECURITY ENVIRONMENT (STRATEGY)

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TUESDAY, APRIL 18, 1989

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
*Washington, DC.*

## MILITARY STRATEGY AND OPERATIONAL REQUIREMENTS FOR NATO DEFENSE AND RAPID REINFORCEMENT

The committee met at 9:06 a.m. in room SR-222, Russell Senate Office Building, Senator Sam Nunn (chairman) presiding.

Committee members present: Senators Nunn, Exon, Levin, Kennedy, Glenn, Warner, Thurmond, Cohen, Wilson, McCain, Gorton, Lott, and Coats.

Committee staff members present: Arnold L. Punaro, staff director; Andrew S. Effron, general counsel; Richard D. DeBobes, counsel; Daniel G. Sakura, research assistant.

Professional staff members present: Robert E. Bayer, Robert G. Bell, Richard D. Finn, Jr., John J. Hamre, James R. Locher III, David S. Lyles, and Michael J. McCord.

Minority staff members present: Patrick A. Tucker, minority staff director and counsel; Romie L. Brownlee, deputy staff director for the minority; Robert F. Bott, Brian D. Dailey, Judith A. Freedman, George K. Johnson, Jr., Ronald P. Kelly, George W. Lauffer, Durwood W. Ringo, Jr., and Mark B. Robinson, minority staff members.

Staff assistants present: Cindy Pearson and Kelli J. Pronovost.

Committee members' assistants present: Jeffrey B. Subko, assistant to Senator Exon; Kenneth N. Luongo, assistant to Senator Levin; William J. Lynn, assistant to Senator Kennedy; Charles C. Smith, assistant to Senator Dixon; Milton D. Beach, assistant to Senator Glenn; Leon S. Fuerth, assistant to Senator Gore; Terrence M. Lynch, assistant to Senator Shelby; C. Richard D'Amato, assistant to Senator Byrd; Dale F. Gerry, assistant to Senator Cohen; Anthony H. Cordesman, assistant to Senator McCain; Robert M. Soofer, assistant to Senator Gorton; Charles Pearcy, assistant to Senator Lott; and Eric H. Thoemmes, assistant to Senator Coats.

### OPENING STATEMENT OF SENATOR SAM NUNN, CHAIRMAN

Chairman NUNN. The committee meets this morning to receive testimony from three of our warfighting commanders in the field on the subject of military strategy and operational requirements for NATO defense and rapid reinforcement.

Before we begin, let me make an administrative announcement. At 10:30 this morning we will interrupt these hearings wherever we are for a very brief period of time. We will give our witnesses a 20-minute break so we can vote on routine military nominations and also vote on the Atwood nomination.

Senator Warner and I would like to make a brief report in executive session to the committee on the Atwood nomination. We have examined the FBI report now, and we have gone back and forth on some technical questions with the White House, and we will be making that report around 10:30.

The Chair would entertain a motion that we go into executive session, at which time we will have a very brief discussion on the Atwood matter so that all members will be brought up to date, and then we will come back into open session and vote on that nomination and on the military nominations.

This week the committee will receive testimony during this and two other hearings from a total of nine unified or specified combatant commanders. These hearings continue the committee's recent transition of hearing from the warfighting commanders prior to consideration of the defense budget request. The testimony from the combatant commanders helps the committee establish both the strategic framework and operational yardsticks for evaluating the budget request. Because operational requirements and the extent to which the budget request meets them are addressed, the hearings with the combatant commanders begin the transition from our earlier strategy hearings to the budget hearings that will follow.

In addition to strategy and operational issues, the hearings provide the committee the opportunity to conduct oversight of the implementation of the Goldwater-Nichols Department of Defense Reorganization Act. Strengthening the command and personnel authority of the unified and specified commanders was one of the principal objectives of the act. The committee will be anxious to hear about the implementation process and whether or not the legislation is having its intended effect.

This morning's hearing focuses on three commands—the U.S. European Command, the U.S. Transportation Command, and the Forces Command. These commands have major responsibilities for NATO defense as well as rapid reinforcement. The U.S. European Command has the principal responsibility for the U.S. contribution to defending Western Europe. The U.S. Transportation Command has worldwide mobility responsibilities, of which the most demanding are those for deployment of U.S. forces to Europe in a NATO-Warsaw Pact war. The Forces Command, a new specified command, prepares the strategic reserve of Army forces located in the United States for wartime or crisis employment by the forward-based combatant commands, including the U.S. European Command.

Given the dynamic nature of the European security environment, today's hearing on NATO defense is a timely one. The committee began its examination of geostrategic issues affecting U.S. security, as well as European security and the whole question of stability, with recent hearings on the implications of Soviet President Gorbachev's security and foreign policies and other negotiations on conventional forces in Europe. The views of the warfighting commanders on these issues and related operational matter will be of great interest to the committee. Of course the witnesses will have the opportunity to raise any issues concerning their commands which they believe merit the committee's attention.

The committee has three distinguished military officers as witnesses today, each representing a command: Gen. Thomas C. Richards, U.S. Air Force, Deputy Commander in Chief, U.S. European Command; Gen. Duane H. Cassidy, U.S. Air Force, Commander in Chief, U.S. Transportation Command; Gen. Colin L. Powell, U.S. Army, Commander in Chief, Forces Command. On behalf of the committee I extend a warm welcome to our witnesses. The committee looks forward to hearing the important perspectives of these witnesses this morning. I would like to note that General Richards is representing General Galvin, Commander in Chief of the U.S. European Command, who has been required to remain in Europe to attend the Nuclear Planning Group meeting. I will ask General Richards to make the initial statement, followed by General Powell and General Cassidy. Senator Warner, any comments?

Senator **WARNER**. Just to join you in welcoming our witnesses, Mr. Chairman.

Chairman **NUNN**. Thank you.

Senator Dixon and Senator Thurmond have prepared statements that they wish to include in the hearing record.

[The prepared statements of Senators Dixon and Thurmond follow:]

### PREPARED STATEMENT OF SENATOR ALAN J. DIXON

Today the committee has the opportunity to hear testimony on our NATO military posture from three distinguished generals who play key roles in managing NATO strategies and developments. Their testimony here today will certainly provide us with valuable insight that will greatly add to our deliberations as we examine our defense requirements for the upcoming years.

Due primarily to constrained budgets and Secretary General Gorbachev's overtures, such as to unilaterally begin large Soviet conventional force reductions in Eastern Europe, NATO is facing serious challenges. The most serious of those is to maintain NATO's military strength until Gorbachev's reductions become a reality, while at the same time resisting political and budgetary pressures to prematurely reduce strength before substantial Soviet reductions are, in fact, realized.

If the Gorbachev unilateral proposal materializes, and Gorbachev has demonstrated that he does honor his commitments, NATO strategists and planners will be faced with a reduced conventional threat. To what extent will this reduce our defense expenditures for our NATO commitments? Will this mean that we can tolerate zero-growth or reduced defense budgets in the coming years? To what extent can we lower troop strengths in Europe either unilaterally or within an arms control framework?

Although we must be cautious to maintain our strength during this transition period that NATO now faces, we must be equally careful to spend our NATO defensive dollars wisely. This Congress also faces serious challenges, the most important being to reduce the large Federal deficit, particularly the huge defense expenditures that we now have. I am certain our distinguished witnesses can provide the committee with invaluable information about our defense needs. I look forward to their testimony.

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### PREPARED STATEMENT OF SENATOR STROM THURMOND

Mr. Chairman, I join you in welcoming our distinguished group of witnesses.

The issues of NATO defense and reinforcement have taken on a special significance in view of the Gorbachev initiative to reduce Soviet forces and the negotiations on conventional forces in Europe.

Previous witnesses have testified that, in the event of force reduction in Europe, the ability to reinforce our forces and NATO will be critical. In the statements we heard this morning, we were told that the United States has a shortfall in its capability to reinforce NATO. Based on these facts it should be obvious that we must enhance our capability to reinforce our forces in Europe and for that matter the forces in other theaters of operation.

I have in the past supported increases in our air and sealift capability and expect to do so in the future. We must have the means to rapidly reinforce our forces if we are to have a credible defense policy.

Chairman NUNN. General Richards, please go ahead.

## STATEMENT OF GEN. THOMAS C. RICHARDS, USAF, DEPUTY COMMANDER IN CHIEF, U.S. EUROPEAN COMMAND

General RICHARDS. Thank you, Mr. Chairman.

Mr. Chairman and distinguished Members of the Senate, on behalf of General Galvin, Commander in Chief, U.S. European Command, I welcome this opportunity to contribute to your study of U.S. requirements for a prudent national defense. I have provided a detailed statement for the record and would like to summarize briefly its key points.

Chairman NUNN. Without objection, all of these full statements will be part of the record.

General RICHARDS. Thank you, Mr. Chairman.

As the Deputy Commander in Chief of the U.S. European Command, I am responsible to General Galvin for managing the day-to-day operations of the U.S. European Command. This is a unique relationship which exists only within the U.S. European Command, since General Galvin, in addition to commanding U.S. forces in Europe, also serves as Supreme Allied Commander, Europe, responsible, as you said, Mr. Chairman, to the Atlantic Treaty Organization, where he is today.

This year we have a special complicating factor to consider—the uncertainty associated with the future of the Soviet Union and the Warsaw Pact. The Soviets now display an uncommon willingness to negotiate and a movement toward fundamental changes in their government. No one, not even President Gorbachev, knows for sure where the changes will lead.

Three major points should be kept in mind regarding the Soviet transition as we deliberate our own national strategy. First, though we recognize that extreme economic pressures may drive the changes in the Soviet Union, the strength and determination with which NATO has met the Soviet military challenges are important reasons for the transition now under way in the Soviet Union.

Second, there has been no appreciable change in the military strength of the Soviet Union, nor in the offensive nature of that threat as it is currently posed. Despite significant enhancements on the part of the alliance, the gap between NATO and the Soviet-Warsaw Pact capabilities remains wide due to modernization in Soviet-Warsaw Pact conventional and nuclear forces. In the last 5 years, as you know, the Soviets have out-produced us more than 2-to-1 in tanks, infantry fighting vehicles, and 4-to-1 in artillery pieces. Overall, the Warsaw Pact has twice as many battle tanks as NATO, one-third more anti-tank guided weapons launchers, and nearly twice as many combat divisions.

Third, the transition which the Soviet Union is experiencing is now entering a period of uncertainty. We must remain strong, stable, and predictable until Soviet pronouncements are fulfilled with specific and verifiable and quantifiable actions. The first step to staying strong is to remain committed to the alliance concept and true to our proven formula for peace.

Our national military strategy of forward-deploying, highly-ready, well-equipped forces and maintaining a strategic mobility capability to deploy our CONUS-based reserves has served us well through the years. Our historically successful alliance strategy is flexible response and forward defense. The critical components of this strategy are both nuclear and conventional modernization.

A modern nuclear force is an essential umbrella over our strategy. We must keep NATO's nuclear deterrent posture credible by having a viable theater-based nuclear system, which is allowed under the INF Treaty, capable of holding all the targets in the Soviet Union at risk.

Our conventional forces need to be strong enough to provide time for rational decisionmakers to make their decisions. To accomplish this we need the right number and the right mix of units with the proper equipment to meet and hold a massed Soviet-Warsaw Pact mechanized force. We have to continue our program of improving reinforcement capability because we cannot hope to win a conflict of any duration without adequate reinforcements. The tremendous progress we have made in improving military fighting capability will be wasted if we cannot rapidly deploy our forces.

In Europe, one of our most pressing needs is for more force on line and rapidly. Thus, the C-17 aircraft is our number one mobility priority. It is fast, flexible, and rapidly delivers critically-needed, early-arriving forces and high priority cargo.

Major improvement in our country's sealift capability is needed. The vast majority of the required supplies, equipment, and additional reinforcing units must come by sea. Fast sealift can make a major contribution, but it does not replace airlift.

American forces are deployed in Europe, as we all know, because it is in the best interests of the United States to do so. Those forces must be maintained and supported in a manner that allows them to face with confidence the Warsaw Pact forces deployed on the borders of NATO.

On behalf of General Galvin, I ask for your continued support of America's commitment to its vital interests in the European Theater. Mr. Chairman, that concludes my remarks. Thank you.

[The prepared statement of General Richards follows:]

# STATEMENT BY GENERAL THOMAS C. RICHARDS
# DEPUTY COMMANDER-IN-CHIEF, U.S. EUROPEAN COMMAND

## INTRODUCTION

Mr. Chairman and distinguished members of the Senate, I welcome this opportunity to provide my perspective on the situation in Europe as you study the U.S. requirements for a prudent national defense. As Commander in Chief, United States European Command, General Galvin is responsible for U.S. military activities in Europe and most of Africa, an area encompassing over 13 million square miles and including 43% of the world's nations, 77 countries and 126 diplomatic posts. As Deputy Commander in Chief of the United States European Command, I manage the day to day activities of the U.S. military within our theater. We have this special arrangement in our area of responsibility because General Galvin, in addition to commanding U.S. forces in Europe, also serves as the Supreme Allied Commander Europe, responsible to the North Atlantic Treaty Organization. He commands the NATO forces from his SHAPE Headquarters near Mons, Belgium. I perform my duties from the U.S. Headquarters near Stuttgart, Germany. Our mission, simply stated, is to deter war.

## SOVIET POSTURE

As we participate in this year's strategic review, aimed at providing proper resources to continue to deter aggression, we have a special complicating factor to consider---the uncertainty associated with the future of the Soviet Union and Warsaw Pact. The Soviets now display an uncommon willingness to negotiate and a movement toward vast and fundamental changes in their governmental institutions, economic system, and social structure. We know there are great changes taking place in the Soviet Union and Warsaw Pact; however, no one -- not even President Gorbachev -- knows for sure where the changes will lead.

Three major points should be kept in mind regarding the Soviet transition as we deliberate on our own national strategy.

First, these changes were not brought about by chance. The strength and determination with which NATO has met the threat of the Warsaaw Pact which carried out the most massive peacetime arms buildup in history, and the unity with which the Alliance has met a series of Soviet challenges in Europe and elsewhere, are principal reasons for the transition now under way in the Soviet Union. At long last we are now seeing an antagonist who is beginning to respond to the measured, rational position of the West which has for years urged Moscow to reduce its forces, to desist in aggression, and to work with us for a more stable Europe at lower force levels. The Soviets have begun to display a willingness to engage in dialogue and to negotiate. Having also realized that their failing economy will not allow them to continue their enormous defense expenditures, the Soviets are seeking to turn necessity into a virtue by declaring their readiness to participate in conventional arms control negotiations.

Second, as yet there has been no appreciable change in the military strength of the Soviet Union, nor in the offensive nature of the threat it currently poses.

Despite significant enhancements on the part of the Alliance, the gap between NATO and the Soviet/Warsaw Pact capabilities remains wide due to modernization in Soviet/Warsaw Pact conventional forces. The Soviets regularly allocate 15-17% of their gross national product to defense spending (vice 6% for U.S.); most of the Soviet military spending goes directly into hardware. In the last five years the Soviet Union has outproduced the U.S. more than 2:1 in tanks and infantry fighting vehicles and 4:1 in artillery, which translates to a more rapid fielding of the latest technology and a narrowing of the qualitative edge upon which we have traditionally relied. Indeed, the USSR alone has outproduced all NATO nations together in every major category of ground weapon systems during each of the past three years. Overall, the Warsaw Pact has twice as many battle tanks as NATO, one-third more anti-tank guided weapons launchers and nearly twice as many combat divisions. Even if President Gorbachev reduces production capacity by nearly 20%, as announced, the Soviets will still produce 2,700 tanks per year, a level nearly three times that of the 16 nations of NATO combined. That means the Soviets will be able to produce almost a division's worth of tanks a month; within a year they can replace the six divisions they promise to remove. Instead of manufacturing enough artillery for four regiments every month, the Soviets will make enough for three. If the Soviets and Warsaw Pact shut down all of their tank and artillery productive lines, the NATO Alliance would have to triple its current production rate for eight years -- just to catch up.

We should also note that the Soviets are fielding two new types of ICBMS -- the SS-24 and the SS-25. They have commissioned their fourth 40,000 ton Kiev class aircraft carrier, and this year will undertake sea trials with their new 65,000 ton Tblisi class carrier. Their recently fielded Blackjack bomber is a highly sophisticated aircraft. They are building Foxhound, Flanker, and Fulcrum jet fighters as an accelerated rate. New and increasingly silent submarines are being produced at a rate of nearly one a month. This equipment is a collective demonstration of first class technological advancement. It is highly capable, highly lethal, and being produced in numbers far exceeding the force requirements for defense.

We are hearing for the first time Soviet admissions they have been offensively postured, but that now they are going to change to a defensive posture. We are hearing promises of unilateral conventional force reductions of 10,000 tanks, 8,500 artillery pieces, 800 combat aircraft and 500,000 men. These are promises we hope come to be, but, even if the promises are kept, many critical questions remain unanswered. Where will the troops and equipment go? What will be done with them? What, exactly, is meant by a manpower cut? How long will it take to return these capabilities to the battlefield? We should not make the mistake of confusing intentions with capabilities. Intentions can be reversed over night, but military capabilities, once reduced, take a long time to recover. Both the U.S. and the Alliance should be weary of altering our successful course until Soviet intentions are replaced with actions. We should be very cautious of changing our successful strategy of peace through strength just as it is providing dividends.

A third noteworthy aspect of the transition which the Soviet Union is experiencing is that we are entering a period of uncertainty. Whatever the motives of President Gorbachev, he intends to take his nation through great changes. And, as this powerful nation changes, it will pass through unpredictable periods of potential instability. Such instability in the Soviet Union must be met with great stability from the U.S. and NATO. We should be consistent and avoid radical changes which might be misinterpreted by nations friendly and otherwise. The Soviets used to be big and predictable; now they are big and unpredictable.

We must remain strong, stable, and predictable until Soviet pronouncements are met with specific, verifiable and quantifiable actions. While hoping for the best, as we watch and analyze what is actually happening in Eastern Europe, we must keep our powder dry.

## A STRONG ALLIANCE

The first step to staying strong is to remain committed to the Alliance concept and essential elements on which Allied Command Europe relies for success. As in any alliance of sovereign nations, there are differences of opinion about the scope of each nation's effort and the form it should take. Overshadowing those disagreements, however, is the consensus among the Alliance governments on the essential elements of deterring offensive actions by our adversaries: an appropriate strategy; a military capability adequate to implement the strategy; and evidence of political unity and resolve required to execute the strategy. Indeed, until we have firm evidence to the contrary, we should not reject the notion that the true objective of the Soviets' uncharacteristic behavior may be to undermine these essential elements of deterrence by lulling NATO into a false sense of security while driving a wedge between the U.S. and our European allies. Thus, it is all the more important for us to stay true to our proven formula for peace. That formula involves a viable strategy, credible military capability, and the unity and resolve to use both.

### STRATEGY

The first essential element in preserving deterrence, then, is a viable strategy.

Our national military strategy of forward deploying highly-ready, well-equipped forces, and maintaining a strategic mobility capability to deploy our CONUS-based reserves has served us well. We have a free and independent nation, a strong and diverse national economy, and we have deterred war.

Our historically successful Alliance strategy is flexible response and forward defense. One of the unique qualities of this strategy is its inherent ability to adapt to meet changing situations, both within the Soviet Union and within NATO. Since its inception twenty years ago, scores of changes have been made to the means and ways we have implemented this strategy to ensure its continued viability and vitality. This strategy continues to be supported by a triad of military forces: strategic nuclear, non-strategic nuclear, and conventional. Basic to this strategy is the Allied commitment not to be first to use military force yet expressly retaining the option, if attacked, to escalate the level of violence as necessary to defend itself and retain the integrity of the Alliance. The over 40 years of peace enjoyed by Western Europe is due to the certainty that a united NATO will respond to aggression. The NATO Foreign and Defense Ministers have repeatedly reaffirmed flexible response as the appropriate Alliance strategy. I fully concur, as does General Galvin.

Very often today you hear voices calling for a "new strategy". They state this as if NATO has unthinkingly locked itself into an invalid approach, or a strategy that no longer fits the times.

We have given the NATO strategy a great deal of thought and review. From a military viewpoint it is not the classical defensive posture. It does not trade space for time. It does not allow attacking forces to come in deep, revealing the objectives of their attack, so that we can then shift appropriate forces to deny them their objectives. It is not a defense that allows for economy of force along some sectors of the front so that we can channel an attacker and defeat him in time. It is just what it says it is: a doctrine of defense at the forward reaches of our territory.

But we have a flexible component to our defense, and that flexibility comes in our willingness to meet any attack with an appropriate level of defense. This concept is central to the primary objective of our strategy, to deter war in Europe. The best way to deal with the specter of war is to prevent it from happening. If deterrence fails -- and it has not since the foundation of NATO -- then the Alliance must be prepared to defend. The more we can show the ability to do just that, the less likely it is that deterrence will fail. In other words, in order to achieve our objective of deterrence, our defense must be credible.

## MILITARY CAPABILITY

Both nuclear and conventional modernization are critical components of our military capabilities. A modern nuclear force is an essential umbrella over our strategy. Programmed nuclear modernization efforts, developed long before and not contrary to the INF treaty, are key to maintaining deterrence in Europe at an acceptable level of risk. We need to keep NATO's nuclear deterrent posture credible by having a visible theater-based nuclear system, allowed under the INF Treaty, capable of holding targets in the Soviet homeland at risk.

Conventional modernization is important too -- increasingly so in view of the INF Treaty, and the overall context of current arms control and disarmament negotiations. All current Soviet military doctrine points to their commitment to a massive conventional attack to realize their military objectives in Western Europe. Additionally, only conventional forces pose the threat of capturing NATO territory. Our relative weakness in the conventional area is well recognized within the Alliance. Important improvements have been made to correct the worst of the deficiencies. Updating capabilities in air defense, readiness and sustainability, command and control systems, reinforcement and our capability to attack an adversary's follow-on forces head the list.

The Alliance acceptance of the long term planning guidance for follow-on forces attack holds great potential for the Alliance. Its implementation will improve significantly our ability to target and attack conventionally the Operational Maneuver Groups, second and third echelons, and reserves of the Warsaw Pact before they can reach our defensive positions. Several of the Allies are taking steps to develop the command and control, target acquisition, and intelligence capabilities to achieve this significant military capability. These improvements greatly enhance deterrence by increasing the Alliance's capability to carry out its strategy.

Our Allies are making a substantial contribution to our mutual security--much more than they are accorded credit for normally. The Alliance partners are making major contributions, which fall into two broad categories. First, they provide substantial forces to the Alliance. For example, of the 22 complete divisions currently deployed on the central front, 18 are from our NATO partners. Second, and equally important but less well understood, is the non-monetary contributions made by our Allies. the U.S. ability to fulfill our combat commitments to Europe is enhanced greatly by the Allied arrangements for reception, onward movement and other logistical support to our deploying forces. Progress has also been made in concluding agreements and arrangements to obtain dedicated host nation assistance. We are not in the full implementation phase of a Wartime Host Nation Support program through which over 90,000 West German reservists are dedicated to U.S. support requirements. Yes, many nations need to do more, including the United States who still cannot place ten divisions in Europe in ten days as promised in 1982. We need to tackle these problems head on, but we also need to move away from confrontational rhetoric and toward cooperative solutions.

## UNITY AND RESOLVE

The third element of deterrence, evidence of unity and resolve to execute the strategy, continues to be demonstrated in a variety of ways. Significant examples include: deployment of forces and weapon systems on European soil; Alliance consensus on INF Treaty; and the renewed commitment of NATO Foreign and Defense Ministers to improving conventional defense by implementing the Conventional Defense Improvements (CDI) initiative. Recently, the Ministers took a hard look at the burdensharing issue and in their NATO Report on Burdensharing provided specific recommendations to strengthen each nation's contribution to the common defense. These decisions indicate clearly that the Alliance nations possess unity, common purpose and resolve to implement the strategy. Equally, the non-monetary contributions that I discussed earlier are a measure of the strength of the Alliance. The willingness of the Allies to voluntarily station over 300,000 troops is a clear indicator of unity and resolve. In the Federal Republic of Germany, a country the size of Oregon with the population density of the Eastern seaboard, there are nearly 900,000 men and women in uniform, training at high operating tempos. Surely this unmistakable sign of unity and resolve gives the Warsaw Pact pause.

## U.S. CONTRIBUTION TO THE COMMON DEFENSE

For our part, we should remain mindful that the United States' contribution to the Alliance is not an act of charity. American forces defend vital U.S. interests in Europe (e.g. Soviet containment; U.S. direct investment; U.S./Europe GNP; Rule of Law), ones we would defend regardless of the efforts of our Allies. The United States, for our own sake, should continue to provide the same strong leadership within NATO which has kept peace in Western Europe for four decades. As we encourage our NATO Allies to do more, the U.S. should provide the positive, coalition leadership which recognizes national sovereignty and inspires our Allies to follow.

The idea that the United States can force Allies to do more, by threatening to do less itself, may be a misleading and dangerous myth. Such measures, including often discussed unilateral U.S. troop withdrawals, are viewed by our Allies as attempts by the United States to bully its partners and adversely impacts Alliance cohesion that is better grounded in mutual respect and perceptions of equality. If the United States were to withdraw its forces unilaterally from Western Europe we would merely force the European countries to work out a new accommodation with the Soviet Union. The most visible U.S. commitment to NATO remains our American soldiers, sailors, airmen and Marines standing shoulder-to-shoulder with our NATO Allies. The presence is even more important as the PIIs and GLCMs are withdrawn. As we embark on a new round of arms talks, I urge great caution when considering measures which may be interpreted by our Allies, or our adversaries, as a lessening of our resolve or our commitment to NATO.

During long periods of peace, citizens of democracies tend to forget the great sacrifices required to secure the freedoms they enjoy. Thus, they find it easy to allow defenses to deteriorate in order to pursue other objectives. Eventually they can no longer deter aggression against those very freedoms they take for granted. We should not allow the positive tones of the INF Treaty or the recent conciliatory rhetoric from Moscow to overshadow the need for modernized and ready forces in a time when we do not have the luxury of time to recover from our mistakes. Recent U.S. efforts to improve our defenses have been significant, as have those efforts of our Allies. Without doubt those efforts are partially responsible for the new posturing of the Soviets and their willingness to negotiate toward increased stability. Over the last several years, your support has provided the resources and resolve to begin to address the imbalance in comparative NATO/WP force capabilities. These efforts have had measurable impact. It would be a great mistake to abandon our efforts new, negating our hard won achievements, while there exists no quantifiable evidence the threat to our security has been reduced. We must continue to devote the necessary resources, in the right places, to capitalize on the force improvements we have made. We need to continue to encourage our Allies, by example, to do more for the common defense so no nation will misinterpret our resolve and preparedness to resist threats to our peace and freedom. Our words of encouragement need to be accompanied by actions representative of our strong resolve.

We should not use budgetary limits as an excuse to abandon well formulated and fundamental national priorities. We ask our Allies not to do this and we can ask no less of ourselves. After the direct defense of the United States and the North American land mass, the security of Western Europe is America's highest priority. NATO, in this its 41st year, is the most successful peace movement in history; ironically, its very success is now its greatest problem. Too many people take its success and benefits for granted. Because it has been so successful in deterring Soviet aggression, many on both sides of the Atlantic now question whether a threat actually exists -- and of course our Warsaw Pact adversaries appear to be conducting a cleverly conceived campaign to turn that uncertainty to their favor. Skeptics of the threat suggest reducing our defense spending, and directing what remains of our limited resources to countering crises of the moment. Such moves would invite disaster by under mining the motivations which are behind the Soviet changes.

A failure of deterrence in Europe holds the greatest consequences (both immediate and long-term) for the U.S. The temptation to mortgage our capability to deter war in Europe to pay for less costly and less demanding requirements may be great, but this temptation should be resisted. Other non-NATO regional conflicts can have important implications for the U.S., but none possesses a direct threat to vital national interests in the same dimension as war in Europe. I do not contend this security is attained without costs; however, when compared to the enormous cost should deterrence fail, the investment is prudent.

## ARMS CONTROL

In arms control, we need to remain strong while remaining open to negotiations. Providing enhanced security at reduced force levels is one of our goals. In determining how to achieve that goal, the lessons of history are clear: to make progress on arms reductions with the Soviets, you have to have the military wherewithal to bargain. The INF Treaty was a victory in that regard and the Gorbachev promise of unilateral conventional reductions reaffirms the precedent that the larger side must be willing to make asymmetrical reductions. The Conventional Forces Europe negotiations are the latest forum for arms control negotiations and should be approached from the basis of our previous experiences. There will be a host of intangible issues. As in the INF negotiations, it is important our negotiators are provided the best possible military advice and that their positions are not undermined by ill-advised unilateral force reductions. As in the past, our guiding principles should be asymmetrical reductions leading to a parity of capabilities, stringent verification measures, and negotiations which are conducted in concert with our strategy.

## TAKING PROPER CARE OF OUR PEOPLE

Ultimately, it is not the equipment which will preserve our freedom--it will be the individual will, spirit and innovation of our people. Priority should be given to taking proper care of our soldiers, sailors, Marines, airmen, and their families. This means supporting them with adequate pay and compensation, medical care, housing, schools, family care, and MILCON support for appropriate working, living and recreational facilities. Equally important, it means keeping them ready with rigorous training and able leadership.

Our fine Service members serve with loyalty and discipline so their countrymen may live their lives in peace and security. Our troops often sacrifice comfort, salary, stability and even security to a degree that would be intolerable in the private sector. For the most part, they accept this posture willingly and display extraordinary strength and valor in the face of the risk of supreme sacrifice on behalf of their country. It is noteworthy that it was the professionalism and competence of these troops which consistently impressed and awed the Soviets during their CDE inspections. We owe them just compensation for their contribution.

Recent budget cuts have already forced us to extend tours overseas; to delay promotions; to reduce rudimentary base operations support causing the diversion of troops from training; to reduce family support programs, and recreation centers; to reduce funding of MWR facilities and activities; and to delay/cancel needed DODDS construction. Additionally, those serving in Europe have seen their discretionary income eroded by a decline in purchasing power of the dollar. We must be sensitive to the impact these funding reductions are having on the morale, families, and efficiency of our service members. We should continue to be a nation that is prepared to meet its responsibility to our citizens in uniform. We should not allow further reductions in the budgeted people programs.

## ACTION AGENDA FOR EUROPEAN COMMAND

General Galvin has worked long and hard with the Secretary of Defense, the Chairman of the Joint Chiefs of Staff and the Service Chiefs to develop a budget which best resources our critical deterrent and war fighting capabilities. In the face of continuing budget reductions, I am reluctant to come before the Congress and say we still need more, particularly in view of the diligent efforts of the Secretary of Defense and Services to meet theater priorities while faced with negative growth in 1986, 1987, 1988 and 1989. While I realize funding beyond the requested level is not possible fiscally, I must stress that further reductions in our European theater capabilities will seriously undermine deterrent capabilities and send the wrong signal to both our Allies and the Soviets. Thus my message to you is that while we want to communicate with the other side, we must remain strong. Staying strong requires several elements, the first of which is modernization.

## MODERNIZATION

Thanks to the Congress, modern aircraft, tanks, ships, fighting vehicles, communication equipment and other essential systems are being deployed to Europe. This is as it should be. It is in Europe that the Soviets pose the greatest threat to U.S. interests. It is here where the Soviets deploy their latest warfighting capabilities, only later deploying these upgrades elsewhere. In view of the INF Treaty and ongoing arms reductions negotiations, all in an environment of constrained budgets, our efforts should now be on maintaining those nuclear and conventional modernization programs which contribute significantly to stability and the continued security of the U.S.

Regarding nuclear modernization, we need to develop the Follow-On to Lance (FOTL) and acquire the SRAM-T Tactical Air-to-Surface Missile for dual-capable aircraft. This modernization is an important part of our current Allied Command Europe Nuclear Weapons Requirements Study which could result in another sizeable reduction in our nuclear stockpiles without any loss in the credibility of nuclear deterrence.

SRAM-T enhances aircraft penetrability and increases the survivability of our dual-capable aircraft by providing greater standoff capability. This would allow us to hold high value, deep Pact targets at risk with weapon systems based in Europe.

We have upgraded the current LANCE as much as we can. If we do not take research and development steps soon, our missile-based nuclear forces will become obsolete by the mid 1990's. A mobile Follow-On To LANCE, with a range of less than 500 kilometers, will be a tremendous deterrent capability.

Our conventional forces need to be strong enough to provide time for rational decision making by our leaders. To accomplish this, we need the right number and mix of units with the proper equipment to meet and hold a massed Soviet/Warsaw Pact mechanized force. We will rely on a variety of weapon systems to do this including F-15, F-15E, and F-16 aircraft; the M1 tank; the Patriot and Roland air defense systems; the AH-64 attack helicopters; and new infantry fighting vehicles. As the much needed Army Tactical Missile System (ATACMS), Light Armored Scout Helicopter (LHX), Advanced AntiArmor Weapon (medium and heavy), and the Forward Area Air Defense (FAAD) programs are fielded, our capabilities will be significantly improved.

Additionally, specific attention is recommended to those capabilities which make the greatest contribution to joint and combined warfighting. Air assets such as Joint Surveillance Target Attack Radar System (JSTARS), Low Altitude Navigation Targeting Infrared For Night Flight (LANTIRN), TR-1, F-16 and F-15E will contribute dramatically to the ground battle. Likewise, air defense weapons and Multiple Launch Rocket System (MLRS) are essential to success in the counter-air battle.

Systems for effective command and control of our forces are necessary to enable the conduct of joint and combined operations. Key programs, such as secure, jam resistant voice improvements, MIL-STAR, Single Channel Ground-Airborne Radio Systems (SINGARS), WWMCCS information system and Joint Tactical Information Distribution System (JTIDS), should remain on track. In concert, these systems make it possible for our fighting units to exchange battlefield information using digital communications that is highly survivable and jam resistant.

Allied support of the Follow-on Forces Attack subset of interdiction provides the framework for much of our modernization effort in Europe. The U.S. should continue to take the lead in providing critical intelligence capabilities and essential weapon systems so FOFA can be applied effectively on the battlefield. It is imperative we have a robust theater intelligence capability to enable us to fight smart. Continued support for key programs such as TR-1 Tactical Reconnaissance System, JSTARS, Battlefield Intelligence collection and Evaluation System (BICES), Relocatable Army Processors for Intelligence Date-Europe (RAPIDE), the Joint Tactical Fusion-Limited Operational Capability Europe (JTF-LOCE), and our Theater Intelligence Architecture Program (TIAP) and its associated Joint Intelligence Center is requested. Together, these systems will vastly improve the collection, fusion, and dissemination of intelligence to the battlefield commands. When linked with the attack and command and control systems I previously addressed, these intelligence programs will provide the capabilities needed to make Follow-On Forces Attack a reality.●

Lastly, we must be able to deter the use of chemical weapons by posing a similar threat to adversaries until a desirable global ban on chemical weapons becomes a reality. We have an urgent need for a modernized and credible chemical retaliatory capability. This is needed now to offset the massive Warsaw Pact inventory and ability to conduct offensive operations in a chemical environment. The Soviet Union is assessed today as having the world's most comprehensive chemical and biological warfare program. NATO's chemical weapons, on the other hand, are inadequate, inappropriate to the mission and obsolete. I urge your continued support for production of binary weapons, their associated delivery systems and for further research and development of a standoff weapon system.

## REINFORCEMENT

The United States has committed itself to being able to provide 10 divisions within 10 days for the defense of Europe (the 10-in-10 concept). We have yet to fulfill that commitment. We have to continue our program of improving reinforcement capability because we cannot hope to win a conflict of any duration without adequate reinforcement. The tremendous progress we have made in improved military fighting capability will be wasted if we cannot rapidly deploy our forces. We need a properly balanced mobility program to meet our reinforcement needs. By properly balanced, I mean one that matches the strengths on each leg of the mobility triad with our needs.

In Europe, one of our most pressing needs is for more forces on line, rapidly. Thus, the C-17 aircraft is our number one mobility priority. Airlift is fast, flexible, and rapidly delivers critically needed early arriving forces and high priority cargo. The C-17 is the airlift aircraft of choice and a program that is ready to bear the fruit of our investments. It is our choice because it will deliver more forces, to more places, when we want them there than any other airlift aircraft.

We also need a major improvement in our sealift capabilities. The vast majority of required supplies, equipment, and additional reinforcing units will come by sea because the strength of this leg of the mobility triad is its ability to deliver large volumes of material, especially bulky items. for the most part, sealift provides later arriving forces and sustainment. For fast sealift ships, later arriving means delivering the goods in about 10 days -- a contribution of great significance to our theater.

The third leg of the mobility triad is prepositioned material. In NATO this means Prepositioned Overseas Material Configured to Unit Sets (POMCUS). This buildup of six divisions of equipment and stocks greatly reduces inter-theater movement requirements and serves as a visible sign of the United States' commitment to meet its 10-in-10 pledge.

## READINESS AND SUSTAINABILITY OF OUR FORCES

The next task is to make the most of the forces we have by setting and meeting the highest standards for manning, equipping, training, maintaining, and sustaining. Readiness and sustainability are the keys to first holding against the lead attacking echelon of the Warsaw Pact and then prevailing over a numerically superior enemy.

We are doing our part to ensure our forces are as ready as they can be. To integrate all of the complex weapon systems into a cohesive defense, it is important our forces train intensely and efficiently at every level. We are studying ways to capitalize on computer and simulation assisted training to teach the proper principles and techniques at all levels, from the lowest units to the highest. We will develop the best operational proficiency at the top -- at echelons above corps -- and implement it with highly proficient tactical commanders. If we do this right, we should be able to decrease the size of some exercises with no loss in readiness and with less damage to the environment.

With your support, the programs jointly prepared by the Services and CINCs will enable U.S. forces to maintain marginally acceptable levels of sustainment support. We have made progress in several key areas: improved Wartime Host Nation Support from our Allies; filling of POMCUS; drawing closer to delivery of C-17s; improving wartime medical care capability; improving our forward deployed CS/CSS units and providing storage for war reserve material; and Collocated Operating Base (COB) agreements making existing European airfields available to U.S. reinforcing air units during wartime, while ensuring their ability to sustain operations.

It is very important that we have the proper ammunition in the right quantities at the right time and place on the battlefield to conduct a successful defense. The air battle requires the Navy's Phoenix missile, the Air Force AIM-9 sidewinder and the joint Navy/Air Force AIM-120 advanced medium range air-to-air (AMRAAM) missile. To penetrate Warsaw Pact reactive armor the ground forces need the Hellfire missile for the Apache helicopter and the 120mm smooth bore main gun for the Abrams tank.

Today, because the budget is being pressed, there is a great temptation to push funding for spare parts, ammunition and support into the "outyears." I ask Congress to preserve the progress made during the period of emphasized readiness and sustainability programs. Warsaw Pact forces deployed against the Central Region of NATO already have sixty to ninety days of operational spares and supplies forward deployed. Our own sustainability stocks in Europe do not compare. Our greatest weaknesses are in the areas of strategic sea and air lift, war reserve stocks of preferred munitions, spare parts and equipment and the readiness of support forces. It would not be fiscally responsible to seek a full restructuring of support forces, despite the overwhelming need. But it is crucial we not degrade existing levels of readiness and sustainability. No force, however large or modern, can prevail without adequately trained people, and the necessary facilities to service and repair equipment and to distribute supplies to combat forces.

We can ill afford to reduce our readiness and sustainability. Such a course would lead inevitably to a hollow armed force and a vulnerable nation. Thanks to the support of Congress, we are just now recovering from having pursued such a course in the 70s - a period when we saw communist expansion everywhere - Angola, Ethiopia, South Yemen, Vietnam, Nicaragua, Cambodia, and, of course, Afghanistan. We should not allow it to happen again. It is tempting to take a disproportionate share of reductions from the readiness and sustainability accounts because cuts in those accounts translate into immediate savings. But that temptation is much easier to resist if we remember that cuts in readiness and sustainability also translate into an immediate loss of deterrent and operational capability.

## DoD Reorganization

The provisions of the Goldwater-Nichols DoD Reorganization Act are being implemented within our theater of operations. General Galvin has expressed general satisfaction with his authority being commensurate with his increased responsibilities for the formation of strategy and contingency planning, providing more efficient use of defense resources and enhancing the effectiveness of military operations. His advice has been sought consistently, and heard, on all significant issues impacting the European Command. He can, and routinely does, communicate directly with the Secretary of Defense and the Chairman of the JCS on these matters.

Title IV has served to have a positive influence on the quality of the officers being assigned to EUCOM. The majority are resident graduates of a joint or service school. Their service records are promotable. Recent EUCOM promotion rates to field grade were better than the service average and were on par with other joint commands. Service members perceive a joint tour as career enhancing and are actively seeking joint positions. Although it was enacted only a little more than 2 years ago, we feel Title IV is improving the quality of the officer force in the joint arena and expect that trend to continue.

Two further steps by Congress would improve DoD Reorganization. Congressional support and appropriations for a biennial defense budget and a commitment to a predictable funding level would significantly promote stability and consistency in the defense planning, programming and budgeting process.

## CONCLUSION

As we face the tough challenge of funding a prudent level of deterrence, we must not accept false solutions which destabilize, increase the risk to Western security, reduce our commitments to Allies and friends, or in other ways fail to meet our defense needs.

During the course of your deliberations this year, several significant events will unfold in Europe. This year marks the beginning of the much heralded and long awaited conventional stability talks; continued implementation of the INF Treaty; and most significantly, the celebration of the fortieth anniversary of the North Atlantic Alliance, marking the longest period of continuous peace and security for Western Europe in modern times. This has been no accident of history, but rather the fruit of hard, careful and unrelenting labor by western statesmen and soldiers.

As we celebrate this important and momentous event, we need to remain mindful that U.S. forces are forward deployed in Europe because it is in the U.S. national interest. Those forces have to be maintained and supported to counter the threat posed to Western security by the Soviet/Warsaw Pact forces. Consideration must be given to the significant consequences of deterrence failing. We cannot create a hollow European presence which serves only as a tripwire for employment of nuclear weapons. Our goal should be to enjoy many more anniversary celebrations for NATO.

There are no easy, quick solutions for the challenges we and our European Allies face in deterring Soviet aggression in Europe. I am comfortable that our strategic approach, so successful in the past, is correct and continues to produce positive results. Continued peace with freedom in Europe is dependent on the long term commitment to achieve this end: to keep peace in Europe, for the first time, for more than a single generation. Our collective challenge is to ensure maximum effectiveness of limited resources. This can be accomplished primarily through restructuring and implementing modernization programs.

The key defense programs for which I ask your support:

- Nuclear modernization:
    - Follow-on to LANCE (FOTL)
    - Dual capable aircraft (F-15E)
    - Tactical Air-to-Surface missile (SRAM-T)

- Conventional modernization/FOFA
    - C-17
    - Joint Surveillance Target Attack Radar System (JSTARS)
    - Joint Tactical Fusion Program (JTF-LOCE, ASAS)
    - Army Tactical Missile System (ATACMS)
    - Multiple Launch Rocket System (MLRS)
    - MILSTARS
    - Relocatable Army Processors for Intelligence Data-Europe (RAPIDE)
    - Modern Binary Chemical Retaliatory Capability
    - Battlefield Intelligence Collection and Evaluation System (BICES)
    - Joint Tactical Information Distribution System (JTIDS)
    - Tactical Reconnaissance System (TR-1)
    - Forward Area Air Defense System (FAADS)
    - F-15E/F-16
    - M1 Abrams Tank
    - Patriot Missile
    - AH-64 Attack Helicopters
    - Bradley Fighting Vehicle
    - Light Armored Scout Helicopter (LHX)
    - Low Altitude Navigation Targeting Infrared For Night Flight (LANTIRN)
    - Single Channel Ground-Airborne Radio System (SINGARS)
    - Theater Intelligence Architecture Program (TIAP)

- People programs:
    - O&M and MILCON for training and support facilities
    - Medical care
    - Compensation
    - Family housing, family care, real property maintenance
    - DoDDS

- Readiness/Sustainability
  - Preferred/warstopper munitions (Phoenix, Sidewinder, AMRAAM, Anti-Tank Munitions)
  - Contingency Hospitals
  - OPTEMPO
  - CS/CSS
  - War Reserve Stocks

- Reinforcement
  - 10 Divisions (with associated air support) in 10 days
  - POMCUS
  - Strategic sealift (fast sealift ships)
  - Wartime Hose Nation Support

Chairman NUNN. Thank you, General Richards.

Just as a matter of interest, General Galvin is participating in the Nuclear Planning Group. When is that group meeting and would you just give us a little bit of a glimpse of what the issues are they are dealing with at the moment?

General RICHARDS. Well, that is currently taking place and will continue for the next couple days. The most important issue facing that group, of course, will be nuclear modernization.

Chairman NUNN. Thank you, General Richards.

General Powell, we are pleased to have you here the first time in your new job, and again I take personal pride that you are now in my home State and head of the Forces Command. We welcome you here this morning.

## STATEMENT OF GEN. COLIN L. POWELL, USA, COMMANDER IN CHIEF, FORCES COMMAND

General POWELL. Thank you very much, Mr. Chairman. It is a pleasure to be here.

Distinguished members of the committee, I am pleased to have the opportunity to appear before you this morning. As of today I have been in command of Forces Command for just 2 weeks, but in the period between ending my last job and assuming command of Forces Command I have had the opportunity to travel widely around the country visiting the units of Forces Command. So, Mr. Chairman and members of the committee, I think I have a pretty good idea of the state of my command.

General Richards highlighted the forward-deployed portion of the rapid reinforcement in defense of Europe, and I would like to highlight that portion concerning our CONUS strategic base. Forces Command is a huge command. It is the largest command in the Department of Defense—one million-plus soldiers. Under my command I have five continental Army headquarters, a deployable field Army headquarters, three deployable corps headquarters, and some 22 divisions, 12 active and 10 in the National Guard. In addition, I have over 5,000 combat support and combat service support units within FORSCOM. Of those one million soldiers, a quarter are on active duty, another quarter in the U.S. Army Reserve, and the remaining half are in the Army National Guard, which as you know is under the command of the Governors until mobilization puts them under Federal authority, but during the time that they are under the command of the Governors I have training responsibilities for the National Guard.

Of my major responsibilities, the three that apply most directly to the unifying theme here today are, first, my responsibility to provide our Nation's strategic reserve of land forces and to provide those forces to CINCs who have warfighting plans requiring those forces.

Second, my responsibility to provide land defense for the continental United States, and by doing so ensure the security of our deployment and sustainment base. This responsibility also includes supporting civil defense efforts in time of war.

Third, I have a responsibility to conduct joint training and readiness exercises aimed at improving our ability to discharge those first two responsibilities. As you are all aware, FORSCOM has responsibilities to support civil authorities in time of peacetime emergencies, such as fires in the Pacific Northwest or disturbances that might come. We provide ready forces to assist civil authorities. FORSCOM supports many operational plans, but the most demanding one is the base case war plan to support EUCOM, which is our subject today, and the preponderance of the units in FORSCOM are allocated to that base case. We are to provide trained and ready Army forces to Europe, should the need arise, and we must continually maintain our forces at the required state of readiness to make sure that General Galvin and General Richards get the kind of forces they need in the condition that they need.

I believe, Mr. Chairman and members of the committee, we have been doing rather well in recent years. As I travel around the Army I see an Army that is in good shape. I see FORSCOM units that are modernizing. I see FORSCOM units that are training very, very well. But in recent years the trend is starting to change as a result of the negative real growth budgets over the last several years. And the two areas that cause me the most concern are, first, people, and then the actual resources to train and maintain my force and also to maintain the base structure that I have.

Mr. Chairman, I think we all know that the soldiers that we have in our Armed Forces today—and I include all Armed Forces—are the most qualified group of soldiers that I have seen in my 30 years of service. We have always had a good Army, but the soldiers today are just extraordinary. They are unmatchable. We have an extraordinary percentage of soldiers with high school diplomas, a low percentage of soldiers in mental category IV, and a good cross section of American society. Great soldiers, led well, trained well, and provided for make a great Army, and that is what we have, Mr. Chairman—a great Army—and that is what the American people want.

If we do not continue to apply the right resources to assessing good soldiers, taking care of them once we have them in, then we might start to lose the kind of armed force that we have now. And when you marry that trend that is starting to emerge, I think, with respect to our recruiting posture to the declining resources that we are now seeing in our mission and operating funds, I anticipate that with continued negative real growth we might have problems ahead that I think would be unfortunate.

Job satisfaction and family satisfaction are what keep our soldiers in the Army, and job satisfaction comes from good, solid, challenging training, backed up by the courage of the soldier's fundamental convictions about his or her country. He is proud of what he or she is doing for their country.

So that is where the intermingling of the two categories of concern takes place. We have to put the resources into the Department of Defense to get the best quality soldiers and sailors, airmen and marines, and keep them there, and we also have to make sure that we provide operating funds to keep them trained, to keep the quality of life up, and, most importantly, the reason they are in the structure, to make sure that they are always ready to perform their overseas warfighting mission.

Mr. Chairman, in conclusion I would just like to say a word about the Goldwater-Nichols Act and the implementation of that act in my command. I have only been there for 2 weeks, but I guess the best way to summarize the impact is that I took command on a Tuesday and on Wednesday morning I was in Washington to participate in DRB meetings with the Secretary of Defense where Secretary Cheney solicited my view. He wanted to hear what was going on in FORSCOM, even though I had only been there a day or so. I had the opportunity to share with my fellow CINCs issues of mutual concern as well as listen to them. And I went back to Atlanta with a better understanding of what they need and how I might be able to help them.

Another indication of how the act is working is that within the Army you see young majors and lieutenant colonels now seeking out joint assignments, wanting these assignments. So you can see the quality now start moving to those areas where traditionally you would not find that kind of quality.

I regret that Forces Command as a specified command does not have joint billet spaces in adequate quantity at the moment to make sure that I am also drawing that kind of quality, but that is an issue I am working with the Chairman of the JCS and with the Secretary of Defense.

Mr. Chairman, it is a pleasure to be here, and I am prepared to answer any questions you or the committee may have at the appropriate time.

[The prepared statement of General Powell follows:]

# STATEMENT OF
# GENERAL COLIN L. POWELL
# COMMANDER IN CHIEF, FORCES COMMAND

## Introduction

Mr. Chairman, members of the Committee on Armed Services. I appreciate the opportunity to appear before you today to testify for the first time as Commander in Chief of Forces Command.

Our national military strategy of deterrence through strong forward defenses and adequate reinforcing forces has served the nation well for over forty years. The success of this strategy is a reflection of the nation's political and military leadership working together during both good and difficult times. We live in a volatile, uncertain, changing world and I agree with those who urge prudence in modifying a system that has been so successful.

General Richards' testimony has very adequately put in perspective the political military situation in Europe. I will simply add my voice to the assessment he offered and state that I am in agreement with his comments. My statement will concentrate on the role Forces Command performs in support of national military strategy, specifically, the rapid reinforcement and sustainment of Europe.

## Forces Command

Forces Command, or FORSCOM, is the largest command in the

Department of Defense. It is unique in that it is a specified combatant command, a major Army command and the Army component to the U.S. Atlantic Command. Forces assigned to FORSCOM include five continental army headquarters, a deployable field army headquarters, and three deployable corps headquarters. Available to these headquarters are a total of 22 divisions, 21 separate brigades, 3 armored cavalry regiments, and a variety of combat support and combat service support units. These forces consist of active, National Guard and U.S. Army Reserve units. Although Forces Command doesn't command the National Guard until federalized, we do align National Guard units with other supported warfighting CINCs and oversee their training for wartime missions. There are some 1,050,140 active, National Guard and Reserve soldiers and 39,695 Department of Army civilians assigned to FORSCOM units and headquarters at 19 major and 20 minor installations in the continental United States, Alaska, Puerto Rico and the Virgin Islands. The FORSCOM FY 1989 funding level is 4.6 billion dollars.

## The Missions of Forces Command

The three major responsibilities assigned to Forces Command in support of the national military strategy include:

A. Providing a strategic reserve of trained, combat ready Army forces to warfighting CINCs.

B. Defending the continental United States and, on order, providing military support to civil defense.

C. Conducting joint training and exercises.

Forces Command also provides military support to civil authorities during peacetime. This support includes activities such as using active or U.S. Army Reserve forces in response to natural disasters--recent examples include clean up operations following Hurricane Gilbert and firefighting assistance in Montana and Yellowstone National Park last summer. Currently, Forces Command soldiers are preparing to assist in combating the oil spill in Valdez, Alaska.

In discussing the contributions of Forces Command to the national military strategy, I want to highlight the requirement for providing a strategic reserve of trained combat forces to overseas combatant CINCs, while securing the strategic rear. Further, I offer to the committee, that with the restructuring of our theater nuclear forces, the need for strong conventional strong conventional forces as a strategic deterrent increases. FORSCOM's ability to provide a strategic reserve of combat ready forces to overseas CINCs is, and will continue to be, one of the cornerstones of the nation's successful forward defense strategy, and maintaining this capability is one of my highest priorities. The majority of forces in my command are apportioned against operational plans of overseas CINCs and deploy to theaters around the world.

Third Army, the Army component of US Central Command, is a deployable field army and deploys in support of contingency plans in Southwest Asia. XVIII Airborne Corps, as FORSCOM's designated contingency corps, maintains the highest state of readiness of the three corps assigned to Forces Command. It has the mission to be prepared to deploy anywhere in the world on short notice and fight upon arrival. III Corps' primary mission is to reinforce Europe, while I Corps' principal focus is in the direction of the Pacific, specifically Northeast Asia. However, in the event of a major war in Europe, most, if not all, of these corps would be required.

As these forces are mobilized to deploy overseas, the national infrastructure required to support their deployment and extended combat in overseas theaters must be protected. Protection of these key infrastructure assets in the continental United States is essential to support the prosecution of war overseas to a successful conclusion and to prevent escalation to nuclear weapons. Moreover, it may become necessary to use military forces during time of crisis or war to provide military support to Civil Defense. A major part of protecting the mobilization, deployment and sustainment infrastructure and providing military support to Civil Defense is the responsibility of Forces Command. I am pleased to inform you that concept plans for performing these missions have been prepared and submitted to the Joint Staff for review and approval and many of our exercises now include these vital requirements. As the Department of Defense's executive agent for protection of key assets, Forces Command works with other services and federal agencies to publish the Key Assets List as part of the Key Asset Protection Plan.

Our mobilization system continues to improve due to the attention received in the last ten years. I believe we should assume most mobilization and deployment scenarios will be under worst case conditions. Specifically, political decisions will be made as late as possible and mobilization requirements could be in support of forces employed across the conflict spectrum. The implications of not training and preparing for such eventualities are obvious.

FORSCOM has undertaken several initiatives recently to meet mobilization requirements. First, a multi-year series of installation-level exercises at each of our mobilization Army Training Centers has been planned to determine the status of plans and preparations, and take corrective action where required. Secondly, FORSCOM conducts a Joint Command Readiness Program designed to improve readiness by evaluating all of our missions and capabilities semiannually. The final initiative involves FORSCOM execution of the Mobilization Exercise Program, which is a series of exercises designed to increase mobilization station preparedness through staff and field training exercises conducted by Reserve Component personnel. We also have exercised and evaluated our ability to execute the President's 200 thousand soldier call-up authority.

Forces deployed overseas from the strategic reserve must be ready to perform assigned combat and support missions. Forces Command has two broad areas of responsibility in ensuring the nation's strategic reserve is prepared for war.

First, we ensure Army units in the strategic reserve maintain a high state of readiness and are prepared for war. Training is the key activity of Forces Command in support of the national military strategy. We are the Army's executive agent for the CAPSTONE program. This program is the primary vehicle for achieving integration of active and reserve forces in operational plans. CAPSTONE seeks to integrate all Army units into warfighting alignments based on missions assigned to combatant CINCs. The CAPSTONE alignment of a given unit assures wartime mission guidance is provided by the gaining command. This guidance is used to develop unit training programs. Units train to their wartime missions, and to the extent possible, in the geographical areas in which they would fight. Meeting CAPSTONE goals involves the full integration of active and reserve components; progressive training programs conducted at home stations, training centers and overseas contingency areas; and tough, realistic training designed to prepare units for war. The National Training Center for heavy forces at Ft. Irwin, California, and the Joint Readiness Training Center for light forces at Ft. Chaffee, Arkansas, are key in honing the combat readiness of our units. Forces Command continues to focus on a single training standard regardless of component.

Second, Forces Command also is responsible for conducting joint operations in the United States and is the Joint Warfare Center executive agent for the Joint Chiefs of Staff. When our forces are deployed to overseas theaters, they must be prepared to fight in a joint effort. Furthermore, there are few instances when we would not expect to fight alongside the forces of another nation, thus, our forces also must be prepared for combined operations. Forces Command sponsors joint exercises such as BRAVE SHIELD, RENDEZVOUS, and BRIM FROST. These exercises test our ability to prepare and deploy forces to overseas theaters and provide valuable training opportunities for participating forces. The Reserve Components are an integral part of these exercises. The Joint Warfare Center provides additional opportunities to use simulations, telecommunications and computer assisted training devices for training large units while reducing costs.

## Operational Challenges

The Committee has asked for comment on critical operational challenges and priorities for meeting these challenges. Let me say at the outset that I support the actions--as I understand them--being taken by the departments to satisfy the requirements of the President's budget.

I am convinced that the American soldier is the cornerstone of a ready force. The soldiers I see today are the most qualified I've seen in three decades. I am impressed with the quality and dedication of these young men and women. Over the last ten years we have experienced a steady increase in the quality of new recruits. The number of high school graduates has increased and numbers of lower mental categories have decreased. This trend is due in large part to the resources we have dedicated to recruiting and retaining quality soldiers. I, unfortunately, must inform you that I am observing the first storm clouds on the horizon indicating an erosion of the support necessary to keep quality soldiers in the force. Losing our quality soldiers not only detracts from readiness, it also increases the cost of maintaining the force as we have to recruit and train replacements.

Job satisfaction and a satisfied family are the keys to keeping quality soldiers in the force. Job satisfaction comes from meaningful, challenging and solid training. Reducing resources at the installation level means fewer quality of life programs for families and soldiers and more of our young men and women in uniform doing jobs which don't directly contribute to preparation for war. Whatever the impact of budgetary constraints on force structure, the right level of training, base operations and quality of life program dollars must be kept flowing. Reduced resourcing for personnel programs negatively impacts on recruiting, retention and promotions, all of which historically lead to a poorer quality force. Unless we continue to put resources in accession, base operations and quality of life programs, we risk losing the quality we have worked with you so hard to achieve. It is my view that programs necessary to maintain and support quality soldiers have to remain, above all, our top priority. I ask for your continued support in this critical area.

A second serious challenge faced by FORSCOM today is the erosion of readiness and ability to support overseas CINCs with capabilities for accomplishing our forward defense strategy. In Forces Command today, approximately thirty-five percent of units, primarily reserve component units, are non-deployable because of shortfalls in personnel fill, individual training skills, equipment shortages, modernization efforts, and reorganization. Under 1988 and 1989 budget levels, our ability to improve this situation has been limited.

Commanders have to maintain their bases so when base operations funds are reduced, there is the danger of shortchanging training to provide for base operations. Further aggravating this problem have been cuts in civilian personnel. We are having to divert soldiers from training to perform critical tasks formerly performed by civilian personnel. The unfavorable impact on readiness is apparent.

A related facet of maintaining a ready force centers on resources for training. Just as the commander's primary wartime task is to fight his unit, his primary peacetime task is to train to fight. Training for war involves the full integration of Active and Reserve Components. Progressive training programs, conducted at home station, training centers and overseas contingency areas are necessary to ensure preparedness for war. As resources to support these training activities decline, so will readiness for war. The criterion by which training requirements must be measured is the ability to conduct successful operations in combat. I submit to the Committee that the successful deployment of forces to Honduras in April 1988 is an excellent real world example of the payoffs the nation receives from investing in training programs necessary to maintain combat ready forces. I urge your continued support for these programs.

The final point I wish to make concerning this particular operational trend concerns structure. Forces Command exists to provide a trained, ready, strategic reserve of land forces capable of deploying worldwide in support of national policy or crisis. This responsibility is my charge. I owe you and the nation this, but I must inform you of my concerns in fulfilling this responsibility. Even if the Department of Defense does succeed in obtaining zero percent real growth in defense spending this year, it still translates into negative real growth for the Army share. If this occurs, it will be the Army's fifth consecutive year of negative real growth.

Structure and capabilities are stretched thin today and we continuously must seek innovative ways to maximize the potential of the forces we have. While it is true that our major adversary, the Soviet Union, has announced and is initiating a number of promising force structure adjustments, it is my belief that our strong defense has contributed to these desirable initiatives. I also am convinced that a strong defense is needed to ensure that these adjustments are realized. I also agree with those who are concerned that, even if these adjustments are realized, the Soviet Union and its allies will continue to have a sizeable force advantage. One of the central issues confronting the United States and its allies in the defense equation is that of timing. Prudence suggests now is not the time to make major adjustments in force structure as further untimely cuts will exacerbate this already serious problem. Yet, continued budget reductions will guarantee premature structure cuts. I urge your support in maintaining strong military forces until tangible evidence of Soviet and Warsaw Pact fulfillment of promises being made is available and our confidence increases.

A final operational concern which warrants mention is that of strategic lift. Succinctly stated, there just isn't enough to meet established requirements. I support General Richards' and General Cassidy's statements on the C-17 and the need for fast sea-lift. There is no substitute.

## Impact of Goldwater-Nichols Act

The Committee also has requested I address the implementation of the Goldwater-Nichols Act in Forces Command as it affects command and personnel authority. As a result of Goldwater-Nichols, the day after I assumed command, I spent three days in Washington attending the Defense Resources Board at the invitation of the Secretary of Defense. I was asked to present my views and recommendations, along with commanders of the other specified and unified commands, on a number of critical defense issues. I think this example illustrates that Goldwater-Nichols is working. I also know that top-notch officers are now actively seeking joint duty assignments. After two and one-half years, it is my personal assessment that Goldwater-Nichols is beginning to have the positive impact you intended on the way we do business, but fully achieving the objectives of the act will require more time.

## Conclusions

Mr. Chairman, I thank you once more for the opportunity to provide the committee my views on Forces Command's contribution to the national military strategy. The United States has achieved great successes with a military expenditure of slightly more than five percent of the gross national product. United States military forces are more combat ready than they have been in many years and are respected by both friends and adversaries. They provide our elected political leadership with flexibility to meet the requirements of an uncertain and dangerous world. Around the world there is change that is favorable to the United States and its allies.

Forces Command is committed to performing its assigned missions in support of the national military strategy. It is becoming more difficult. Our dedicated military and civilian personnel are working hard to ensure that you can continue to rely on Forces Command to perform its responsibilities in support of the national military strategy. But, we cannot succeed without your support. I urge you to provide the funding necessary for maintaining the secure national environment that our nation has grown accustomed to and deserves. Ready military forces remain the centerpiece of a secure nation in an uncertain world. Your support for quality personnel, to include quality-of-life programs, consistent long-term modernization, training and maintenance necessary for maintaining an adequate combat ready force is essential to our continued success for the remainder of this century. I am confident that the leaders of this great nation will fulfill their responsibilities in meeting these requirements.

Chairman NUNN. Thank you, General Powell. We appreciate your being here. General Cassidy, we welcome you to the committee. Again, it was our great pleasure and honor to have you in Georgia to receive the 50th C-5B yesterday. We welcome you here this morning. General Cassidy.

## STATEMENT OF GEN. DUANE H. CASSIDY, USAF, COMMANDER IN CHIEF, U.S. TRANSPORTATION COMMAND

General CASSIDY. Thank you very much, Mr. Chairman. It was my pleasure to share that time with you. That is a very nice environment and it was the end of a very successful program, and certainly well supported, in this committee of Congress.

I, too, am pleased to be here with my colleagues, particularly these two representatives of the Department of Defense, because we work so closely together each day. Each of us depends upon one another, so I think the three of us being here together will indeed provide some enlightenment for the committee that we hope will be useful.

I would like to characterize my job if I could draw you a picture of a chess board, and just have you think about that for a second. I would like to show a chess board before the contest begins when the players for the opponents are all on the board and the preponderance of our players have to somehow be put on the board. Of course, that is my job—to provide the bridge from the CONUS, principally, that puts the players on the chess board for our side.

That is terribly important and I believe has been recognized by the Department of Defense in forming the U.S. Transportation Command. Recognizing that the insatiable appetite for transportation will always exist, that there never seems to be enough transportation because we cannot adequately predict where we are going to fight or how we are going to fight, or necessarily whom we are going to fight, the Transportation Command is designed to take a rather scarce resource and focus it so it will be able to do the job that the National Command Authority suggests it should do.

The lessened tensions with the Soviets are certainly welcome. But that does not change the basic strategy that I characterized by the chess board, and that is the strategy of forward defense. No matter what we do, there is no alternative to fighting somewhere else other than the United States of America, and that depends greatly on the Transportation Command and our ability and to balance out that chess board.

Though they are not present today, the other CINCs have great demands for transportation, but the demand is different for each theater. Certainly our focus today is in the European Command and that will be our biggest problem in numbers, but it is not the largest problem I have in distance. Each of the theaters brings its own sets of problems for transportation and they are unique and different, and that I believe underlines the need for the U.S. Transportation Command.

The key to conventional deterrence, I believe, is a credible capability to rapidly transport and then sustain forces anywhere they are needed; and if I could, underline and footstomp that word "sustain." The forces that we move today are designed so that they must start being sustained or resupplied the moment we land them wherever we land them. Therefore, we have to create a system that not only can transport but can immediately sustain—sustain those adequate numbers anywhere in the world. Without that element of deterrence, deterrence does not become deterrence and we limit the options our National Command Authority has and we run the risk of escalating to a higher level of conflict, or, said another way, we lose our ability to control the level of combat. And that is really what we ultimately want to do.

Mr. Chairman, since this is my first appearance before you and the committee, let me just describe a couple of features of the newest unified command, the U.S. Transportation Command. We are made up of the three components. The Military Airlift Command—and that was a specified command prior to the formation of the U.S. Transportation Command, the Military Traffic Management Command, and the Military Sealift Command. These are the three components and integral parts of this new U.S. Transportation Command.

Like my two colleagues here who have talked to you about people, I must say something about that at this time. The readiness of my command to do its job is directly linked to the quality and the ability of the people that we have in it. And those people are indeed a heterogeneous group of people, if you would. It calls for people from the civil sector. It calls for civilians working both in the civil sector and for the Armed Forces. And it calls for Reserves, Air Force Reserve, Air National Guard, National Guard, Army Reserve, all the Reserve Forces, a great preponderance of Reserve forces, and then of course the active duty force as well.

From my firsthand visits to the units, I would say to you that we are designing systems today that demand the quality of people that General Richards and General Powell have described that we have. In other words, we must have those kinds of people that were described to do the complex jobs we have today.

I will give you a couple of examples. In the civil sector, a C-10 class container ship, a container ship that will move over 4,000 containers, is built to operate with a crew of 12 versus a crew of some 32 to 35 on some of the older yet much smaller ships. The C-17 which is under production today is built to have a crew of 3 versus a crew of 6 on the C-141 or the C-5. Therefore, the kind of people we have must be of the quality that has been described by General Richards and General Powell.

We are their only constituency. I look to you and to us as members of the uniformed forces, the commanders in chief. We are the constituency for our people and we must continue to understand and make sure that they are with us in adequate numbers and stay with us in adequate numbers.

I see that as my major role, and I am concerned that the confidence of those people tends to erode in the budget climates that we find ourselves in. The budget climates are a fact of life. We understand that.

I just want to state publicly that I think it is time that we focused on those people issues, because we have been through 3 years of declining budgets now and we believe that the forecast for the future is similar to that. Therefore, when you have a quality force, as described, you must concern yourself specifically with their readiness because the first people that will understand the lack of readiness is that quality force, and they will not stay with us if they do not believe they are ready. They are committed and dedicated people. My point is that the readiness issues with the quality force are much different than they are with the forces that we have had in the past and the forces that we have dealt with in the past, and I hope that we can sit down and roll up our sleeves and solve some of those problems in the future.

Some of the signals that we have sent to our people are not good. Some of the signals are in the wrong direction, in their quality of life and the commitments that we, the Government, have made to them, and they read them wrong and they tend to lose confidence.

Let me go on to characterize one of my major focuses. That focus is based on the fact that over 80 percent of what I will use in a full mobilization now resides in reserve, and therefore I am concerned with the entire spectrum of the transportation community.

My readiness issues go all the way into the civil transportation sector—the Civil Reserve Air Fleet, which is well defined and healthy. On the other hand, the maritime industry, although well defined, is not healthy. And, as a matter of fact, it is a disaster and something must be done about that.

I see my role as the Transportation Command Commander in Chief to be an advocate for those sorts of things where there has not been an advocate before. I see my role as taking the flag of national defense and waving it in front of some very good people and finding some solutions to a problem that has been gnawing at this country for some several years.

It is a fact that today there are no Merchant Marine ships being built in this country. As a matter of fact, in October 1987 the SS *Kodiak* was the last merchant ship launched, and there are none under construction at this time. I believe that is the first time in the history of this country that this has occurred. And that characterizes the Merchant Marine industry that we are faced with today. I am not willing to declare defeat in that industry. I am not willing to surrender. I believe there are solutions to the problem and we are working very, very hard now with all sectors of that business, all sectors of the maritime industry, to make sure we can get a coalition put together that can come to you, the Congress, for support in solving that problem.

The aviation industry, on the other hand, is doing well. You know that. It is very strong, and the Civil Reserve Air Fleet is being supported in many ways. As a matter of fact, Senator Stevens has proposed a bill that we fully support and think is a step in the right direction in showing our ability to exploit the great capacity of the commercial air industry of our country. We think that is a good news story.

The other good news story is, frankly, that the infrastructure in the surface transportation in our country is in very, very good shape—roads, railroads, the trucking industry. All are in very, very good shape and we are using that to our great advantage and will in the future. We think we need good policies to exploit that industry. We think exploitation is a very good plus and should be done in transportation industries. It is a way to provide defense transportation without using taxpayer dollars, and that has to be good.

I would say to you, Mr. Chairman, that the Transportation Command has developed a full head of steam. We are involved in all of the problems of all of the theater CINCs, directly involved in improving force closures to Europe with General Richards and his staff. We are involved in revitalizing the merchant marine industry and we are involved in capturing what we believe to be the most important element of all, and that is an ability not to waste any service transportation assets. That is being done through the development of a very much improved and robust command and control system. Our method is to develop an architecture that will exploit the command and control systems that are in existence and provide an architecture that will make sure that those systems which we have are not wasted and that those which we are building are used to our best advantage.

Finally, once again, Mr. Chairman, I think the key to all of this is our people, and the people that I am concerned with are not just those in the military uniform, while certainly that is a major focus of mine. But it is those that are in the maritime industry, the Civil Reserve Air Fleet, and the several transportation industries of our country. Again, I am pleased to be with you and look forward to your questions, sir.

[The prepared statement of General Cassidy follows:]

# STATEMENT OF
# GENERAL DUANE H. CASSIDY
# COMMANDER IN CHIEF
# UNITED STATES TRANSPORTATION COMMAND

Mr Chairman and distinguished members of the committee, I appreciate this opportunity to appear before you today to discuss the rapid reinforcement of Europe, vital transportation issues and the United States Transportation Command.

Today, the military transportation system is absolutely indispensable to our nation's strategy of forward defense. That strategy which calls for the prosecution of any conflict away from the shores of the United States is certainly far superior to the alternative of fighting within our own borders. Even as we observe and welcome the lessening of tensions between the US and the Soviet Union, we do not foresee a major change in that national strategy. Any adjustment in US conventional forces overseas would only serve to make more demands on transportation than there are today. Specifically, reducing our troop strength in Europe will not only exacerbate our ability to rapidly reinforce Europe, but other theaters as well.

Since I appeared before your Subcommittee on Projection Forces and Regional Defense last year, a great deal has occurred within the United States Transportation Command. We consolidated the disestablished Joint Deployment Agency's personnel and assets from MacDill AFB, Florida to my headquarters at Scott AFB, Illinois and on 1 October 1988, I assumed operational command of component forces.

Our three component commands are: The Military Airlift Command (MAC), Military Sealift Command (MSC), and Military Traffic Management Command (MTMC). During peacetime, component commanders continue to exercise operational control over assigned common user forces, and existing procedures for use of the Defense Transportation System remain intact. The Military

Airlift Command, the largest of the components, is responsible for all global airlift operations. MAC has close to 92,000 active duty military and civilian personnel. When fully mobilized, MAC would gain another 22,000 Air National Guard and 46,000 Air Force Reserve personnel. The Military Sealift Command provides common-user shipping for DOD and has 7000 active duty military and civilian personnel, as well as over 2,200 Merchant Mariners under contract in peacetime, for a total of over 9,000 personnel in peacetime. When fully mobilized, MSC would gain an additional 2,300 men and women from the units in the Reserve Forces. Military Traffic Management Command manages all common-user ports, intermodal movements, and CONUS land transportation. MTMC has 4,000 military and civilian personnel in peacetime and when fully mobilized, would gain over 4,400 Army Reserve personnel. In total, USTRANSCOM has over 105,000 men and women during peacetime and when fully mobilized we would add approximately 70,000 from the Reserves and National Guard.

I would like to point out here that because of USTRANSCOM'S unique relationship with the civilian transportation sector it is important for our organization to be organized and function along lines familiar to the industry and in some ways mirror their own organizational structure. Just as private industry has cut management staffs by streamlining procedures, changing policies, and relying on information systems to track decentralized implementation of corporate policy, USTRANSCOM has a streamlined, concentrated staff and is developing the information systems to track our component commands' implementation of Command policy and directives. Our components are our operating agencies and they have a long successful history of working with the civil sector industries associated with their particular operational function. The existing weaknesses which gave rise to USTRANSCOM were in the Joint Deployment community establishing and maintaining effective communications with the mobilization structure, and responding in a timely manner to their priorities and changing requirements. We feel we are well on the way to resolving these difficult problems and feel confident we have the appropriate structure to do so.

As the first Commander in Chief of the United States Transportation Command, I will begin by providing you some information on our mission and forces and by pointing out some of the unique features of our Command. The mission of the United States Transportation Command is to provide global air, land, and sea transportation to deploy, employ, and sustain US forces worldwide. Therein lies the first unique feature of the Command. We are a functional unified command rather than a regional command and provide vital support to all theaters and all CINCs.

Additionally, I am vitally interested in the readiness of three distinct elements; the civil sector, reserve forces, and active duty personnel. All three, in balance, are absolutely essential to the performance of the transportation mission. First, USTRANSCOM has a unique relationship with the civilian community. We depend on the civil sector for over 70 percent of the nation's strategic lift capability during wartime. This is by design of course, but it presents some real challenges. In wartime the US Civil Reserve Air Fleet, comprised of civil air carriers, would provide about 50 percent of all airlift (24 percent cargo; 95 percent passenger). The US Merchant Marine will provide more than 75 percent of U.S. sealift capability and the civilian transportation industry will provide almost all of our truck and rail requirements. The vitality of the civilian transportation industry is absolutely essential to meet strategic mobility requirements. So, when I speak to you about readiness, I must factor in my assessment of our commercial transportation industry — all elements are simply essential to defense.

I have learned first hand by visiting several elements of our civil transportation industry, that there is good news and some bad news. The good news involves the aviation and commercial surface industry which I am glad to report, are thriving, profitable businesses. The major air and surface carriers we deal with provide superb service in moving millions of people and tons of cargo for the DOD each year. The bad news surrounds the maritime industry in general. At one time this industry was the pride of this nation, able to produce the ships and equipment needed not only for peace, but for war as well. Today, as a result of many different reasons, this industry is in poor shape and experiencing serious decline. On a more positive note, I am encouraged by management initiatives such as intermodalism and the development of systems to positively control cargo, which are being carried out by nearly all of the major corporations in the industry. Although the civil transportation industry operates outside of the direct control of DOD or USTRANSCOM, we certainly exert a major influence on it. By working jointly with other departments of the government, such as DOT, we can influence the civil transportation policy that supports defense needs. The DOD is the largest single customer of the civil transportation industry, and although we represent a small percentage of the total business, we do have some leverage in negotiating with the commercial industry. The major benefit of relying on the civil industry for a large percentage of our strategic lift capability is the avoidance of a large buildup of military force structure to meet DOD needs.

Next, let's focus on the importance of the total force concept to USTRANSCOM and our dependence on reserve forces. Reserve forces contribute more to lift than any other major mission in DOD. Over 85 percent of this nation's lift capability lies in reserve. From the civil sector, the Civil Reserve Air Fleet (CRAF) for airlift and the Ready Reserve Force (RRF), the National Defense Reserve Fleet (NDRF) and the Sealift Readiness Program (SRP) for sealift, each provide major portions of our total lift capability.

In addition, military reservists from the Services provide a major portion of our military lift capability. In airlift, where the numbers of military forces are greatest, over half of the personnel are from the Air Reserve Component (ARC), which includes Air Force Reserve and Air National Guard units. This means that about 80 percent of the total passenger and cargo airlift capability is provided by the combined forces of the CRAF and the ARC. Only about 20 percent of the total passenger and cargo wartime airlift capability comes from the active duty Air Force.

We are extremely fortunate to be able to draw so extensively on the civil aviation, surface transportation and maritime industries and our military reserve components for our wartime capability. This is a great advantage to the nation and to us as taxpayers. Our forces in reserve are the most competent this nation has ever had.

Because they are such an important part of our total force, I am also committed to ensuring our military reserve components are adequately manned and equipped with the most modern equipment available. For example, we have developed, in conjunction with our reserve partners, a USAF Airlift Total Force Plan, which calls for an orderly, timed-phased transfer of aircraft to the ARC in conjunction with the C-17 becoming operational. In fact, a portion of the C-17 fleet will roll off the assembly line and directly into ARC units.

The Total Force plan was well thought out and developed by our most experienced transporters to carry us to the next century. It considers the need for the transporters of the world to be able to effectively operate throughout the entire spectrum of conflict, from peacetime with high levels of activity, through non-mobilized contingencies, and all the way to general war. It's essential that we stay on this well developed course.

During peacetime, USTRANSCOM's primary emphasis is on planning and integrating total wartime transportation capability. The component commands are primarily responsible for the management of their day-to-day operations. However, the readiness of our components and the defense transportation system as a whole is a major USTRANSCOM concern. This leads to one final unique feature of defense transportation.

There is a readiness element to every DOD dollar spent for transportation in peacetime. If service transportation budgets are reduced, the impact is not simply that they will move less people and equipment. The additional and even more important impact is the real loss of defense transportation system readiness. Transportation system readiness is dependent on its level of exercise. The level of exercise of MAC's flying operations, MSC's steaming operations, and MTMC's directed air, truck, and terminal operations is dependent on service transportation funding levels since those funds are used to pay for transportation operations. In addition, all theater commanders rely heavily on the transportation services provided by the components of USTRANSCOM for their own readiness and flexibility. I will now discuss some of my major concerns and programs that are contained in the FY90 President's Budget currently before your committee.

## PEOPLE

In my frequent travels to the component units of USTRANSCOM and to the different military related transportation industries, I have found that quality and enthusiasm of the transportation personnel, both military and civilian, is very high. After each visit, I come away impressed by the patriotism, loyalty, and hard work these people display. It is also apparent that we are relying on high technology more and more. For example, I recently stood on the bridge of one of the largest, most technically advanced ships in the world, a C-10 class container ship owned by an American company. This ship was originally designed for a crew of 12 (and subsequently adjusted for a crew of 14) where just a decade ago even a smaller cargo ship would require a crew of 35 or more. These same technological advances are in being throughout transportation. For instance, the C-17 aircraft uses a three man crew in contrast with the C-5 and C-141 which need twice as many crewmembers. In short, modern technological advances result in less manpower but at the same time, require a high quality individual to train and work the new systems. We have this quality of individuals in the military now; they are the foundation of our warfighting and readiness capability. I find, however, that in a nation where the pool of young people is getting smaller, the services have to be able to compete with civilian industry to maintain their current personnel posture. It is imperative that we, you the members of Congress, and I, make every effort possible to protect this all important national resource. To do this, we must make sure that these individuals are compensated equitably and fairly for their labor and sacrifices. The kind of compensation I speak of includes not only competitive pay, but support for those personnel programs that enhance their everyday living style, a small but very important part of the total compensation package.

Our men and women in uniform are well aware of the problem you are struggling with and have been responsive to make the budget cuts these past three years we understand are necessary. Unfortunately, this has meant that these people have had to endure extended oversea duty, instability caused by manpower drawdowns and, in general, situations that cause tremendous turbulence. In spite of this turbulence, our enlisted force structure looks very strong and healthy. Although Air Force-wide the number of first and second term reenlistments are down from last year, career reenlistments are high and stable. However, there are certain career fields representing specific skills that continue to erode. With your continued support for the Enlistment Bonus Program and the Selective Reenlistment Bonus Program, we can insure that these men and women, with these skills, will be available to us in the future.

There exists another critically manned force within the Air Force that may weaken, if not cripple, this nation's warfighting readiness if not checked. I refer to the pilot force and in particular, the Military Airlift Command's pilot force. There is no question in my mind that MAC has the best trained transportation pilots in the world. At this very moment, these pilots and the crews they command are flying missions into the Soviet Union, Greece, Hong Kong, New Zealand, Namibia and even to the Antarctic where we resupply American troops and scientists working there. They fly our wounded and dead home; they fly our President and you, the members of our Congress. Quite frequently, you see the major news networks showing a MAC aircraft performing either a military or humanitarian mission much like the recent missions into Armenia to aid the earthquake victims. The pilots flying these missions are the foundation of the military transportation system. The loss of even one costs this nation dearly, not only in financial terms but, more importantly, in readiness. A MAC pilot is expensive because of the complex and demanding missions that he or she may fly. To fully qualify just one C-141 aircraft commander represents an investment of 3.5 million of the taxpayers dollars. Last year 114 C-141 pilots left the service. This represents the loss of close to 400 million dollars. During the past 10 years, MAC has seen the Cumulative Continuation Rate (CCR) for pilots in the 6-11 year group drop to a low of 14 percent in 1979, rise to a high in 1983 of 79 percent, then drop to 34 percent last year. This decline has continued, and currently our retention rate stands at 32 percent. Effective management of a force with that much fluctuation in its retention is nearly impossible. A report by the Air Force Military Personnel Center indicates that commercial airlines will continue to be a significant lure for military pilots. Their survey showed that 85 percent of MAC 6-11 year group pilots who separated were hired or were actively seeking jobs with the airlines.

Over 6600 pilots were hired by the airlines in 1988 and they forecast 6000 hires per year through the mid 1990s. The airlines are not only replacing the thousands of pilots that are retiring, but they are filling additional pilot vacancies created from airline expansion. I support both the aircraft and airline industry as they contribute more to the balance of payments than any other industry. Furthermore, I believe that a certain number of military pilots should gravitate to the airlines. However, we are looking at a retention situation that if not corrected, will leave the Air Force with a critical shortage of pilots in the early 1990s.

This is a long term situation that we must turn around. There is no simple solution because it is a direct result of a national pilot shortage. I believe that the management changes we have made internally and the pilot bonus, Aviation Continuation Pay, will combine to help stem the outgoing flow of these individuals who represent a critical link in our mission capability.

The Air Force has identified several factors that cause pilot dissatisfaction and we have made significant progress in eliminating these irritants. Adjustments to flying schedules to provide more stability, direct involvement of the pilots in their assignments, open communications between the younger officers and management, and emphasizing families are a few of the efforts we have made at the unit level to help make a career in the Air Force more attractive. Last year, you, the Congress, allowed us to take a big step in correcting our immediate concerns by approving funding for the Aviation Continuation Pay program and we are grateful. As of 13 March 1989, 452 out of 808, or 56 percent, of those MAC pilots eligible, signed up for the bonus and committed themselves to extended active duty. The Air Force rate for the same time period is 60 percent but it is far too soon to make predictions on this program's probability of success. The ACP represents a short term partial solution to a long-term problem. I urge the members of Congress to understand this situation and support the current request for ACP funding and any further DOD initiatives that will help resolve this pilot retention problem.

When Congress determined previously that we would be an all volunteer force, we, in effect, committed ourselves to civilian pay comparability. The approval of the FY89 pay raise of 4.1 percent and the increase in Basic Allowance for Quarters (BAQ) was a strong indication that you support our people in the military. Unfortunately, the compensation picture that our members see still falls short of their needs. We in the military find ourselves 10 percent behind the civilian sector based on the latest figures established by the Employment Cost Index (ECI). The cost of living outpaced the raise by 1.2 percent and the average service member still pays 21.5% of the median housing cost out-of-pocket to cover housing expenses. This is a reduction from the previous year's out-of-pocket cost (22.5%), but is still far from the 15% goal the Congress established when it restructured the VHA program in FY85. I wholeheartedly support the budget's military and civilian pay raise for the next two years. I solicit your understanding of the pay comparability issue and your continued support for the increases in pay these members so deserve.

The competitive pay issue is the heart of the compensation package, but there are other programs which are very important and directly impact on the quality of life of the services' men and women. The reduction in appropriated fund support for morale, welfare and recreation programs over the past several years has resulted in some hard choices. Many Officers' Open Messes, Petty Officers Clubs and Non-Commissioned Officers Clubs of our services will lose their appropriated fund support by September 1990 and may have to be closed, even though the esprit de corps fostered by these clubs is still a major objective and an integral part of the military culture. Recently, we have been successful in reorganizing and revising our central DOD funding policy for MWR programs. What we must now revisit is our commitment to appropriating the financial resources necessary to sustain a comprehensive program to meet the mental and physical fitness, as well as the social and recreational needs of our military soldiers.

Another program that we need more than ever is the Family Support Center. This is a great success story in the Military Airlift Command. Currently, MAC has a center at each of its installations. These centers address the quality of life issues by responding to family needs, concerns, and problems at the local level. For example, the centers provide relocation support for families during a change in duty stations; they help families overcome financial, emotional, and other problems caused when they are uprooted and moved. They have programs to teach job-hunting skills and in some cases, help spouses find employment. That these and other locally tailored programs are effective is clear. Our commanders report improved mission readiness, increased retention rates among the enlisted ranks, improved unit morale, and a higher sense of commitment by the family to the Air Force way of life. I solicit your continued support for this essential program.

The Military Construction and the Military Family Housing Programs are indeed as vital to the high morale, welfare, productivity, and retainability of our people as are the previously mentioned quality of life programs. New construction and revitalization of existing facilities such as medical, dental, recreational, and housing are absolutely essential to provide the high standards of excellence commensurate with the quality force we seek to recruit and retain. We need Congressional support of these facility requirements.

We are convinced that the well being of our people and their families is a key ingredient to mission capability and overall readiness. We need to continue to support, develop and operate a comprehensive community health care system that maintains the health and morale of soldiers, seamen, and airmen. I ask for your continued support for the objective of improved access to high quality, affordable health care services for our military families.

We have begun local initiatives to improve access to high quality health care, while increasing management of CHAMPUS program costs. In FY89, Congress provided some flexibility for using a portion of the CHAMPUS budget for innovative health care delivery initiatives designed to provide net CHAMPUS savings. This flexibility increases the options of the local hospital/clinic commander and enhances his/her leverage in negotiating favorable contract services. This flexibility also supports the objectives of maximizing utilization of the direct care system medical facilities. I fully support this flexibility in the use of CHAMPUS resources and encourage Congress to continue support for such programs.

The Congressional initiative to improve medical officers' pay should help retain some physicians who would have otherwise elected to separate. I applaud this. We are critically short in several specialties, and each shortage costs the taxpayer dearly in either increased CHAMPUS outlays or high priced contracts. Unless we revise medical officer compensation on a long term basis, the physician shortage will increase rapidly. Efforts to reduce shortages in selected medical specialties by providing competitive compensation will require continued Congressional support.

Finally, in the area of reimbursement for the many permanent change of station moves that we expect our people to undergo, I appreciate the Congressional support this past year to help defray some of the out of pocket costs associated with these government directed moves. We need your continued support to ensure that none of our people are unduly subjected to financial losses when responding to the needs of the nation.

## AIRLIFT

Implementation of our forward defense strategy is dependent on multiple mobility elements -- airlift, sealift, land transportation, prepositioning and readiness. Each of these elements is an indispensable part of the total mobility equation. If one element is weak, the others must pick up the slack if we are to be able to carry out our strategic goals. Each element has its own mutually exclusive characteristics. Airlift is rapid, responsive, and the most flexible, but it can carry only a small portion of the total requirement. It is designed for situations such as the rapid reinforcement of Europe. Prepositioning is stable and can be planned well in advance, but it is not at all flexible. Land transportation positions the cargo and passengers for strategic lift. Sealift has the greatest total capability, but it is slow and not as flexible as airlift. All elements must be at adequate capacity to meet our strategic mobility objectives.

The Military Airlift Command's resources are committed to strategic and theater airlift forces. Strategic airlift provides the first deployment step, the rapid movement of initial or reinforcing fighting units, and a bridge of resupply to the theater of conflict. Whether by airland or airdrop, theater airlift provides the mobility and supplies far inland to the fighting forces. It is these two aspects of airlift that we rely upon to support the regional CINCs. Our ability to perform these two missions will be greatly improved with the addition of the C-17 with its strategic, direct delivery, and theater lift capabilities. Additionally, we are aggressively pursuing options to meet the special airlift requirements of the other warfighting CINCs. For example, in the arena of low intensity conflict, we are taking the initiative to satisfy a requirement for a short takeoff and landing (STOL) aircraft with the C-STOL or C-27 aircraft. This aircraft will be a rugged, yet simple and light aircraft capable of using numerous short, unimproved airfields throughout the world. The C-27 will open up 92 percent of the airfields which are not now accessible to SOUTHCOM. It will transport troops and supplies into areas inaccessible to C-130s and beyond the range of unrefueled helicopters. We ask for your continued support for this program. We must remain responsive to theater CINCs, such as General Woerner and his US Southern Command, who require unique airlift capability to successfully defend our national interests in the low intensity conflict arena.

No matter how much firepower we have, if we can't get supplies and troops to the right place and at the right time, we lose. When rapid reinforcement and timely arrival of supplies is absolutely necessary, there is no substitute for airlift. This fact was highlighted in 1981, when OSD completed the Congressionally Mandated Mobility Study (CMMS). This study proved that our mobility capability was severely lacking and that this lack of capability would seriously handicap our nation's ability to fight and win a war. The CMMS looked at mobility on a global basis and recommended that our airlift fleet be increased by 20 MTM/D over the study baseline. From this study, the fiscally constrained, DOD goal of 66 MTM/D was established and continues to be the airlift capability this nation should pursue in peacetime, and that has been the goal of the administration and Congress together.

MAC's current airlift capability combines active duty forces, Air Force Reserves, Air National Guard, and the Civil Reserve Air Fleet (CRAF) personnel, aircraft, and equipment into a national airlift force. We call upon this force in varying degrees to meet contingency or wartime requirements. We operate the C-5, C-141, and C-130 aircraft in the United States, Europe, the Pacific, and the Far East. In peacetime, we exercise the total system, maintain combat readiness, provide joint training, humanitarian assistance, and as a by-product, provide peacetime airlift for DOD and other government agencies. In wartime, this system surges to provide airlift to any part of the world. The airlift fleet is capable of both strategic and tactical operations. The C-5, KC-10, and C-141 are normally associated with strategic airlift operations, while the C-130 is associated with tactical operations. During a contingency requiring the rapid deployment of our forces, MAC will use the best aircraft, or combination of aircraft, to achieve our objectives.

We are making significant progress toward attaining the 66 MTM/D goal. In 1981, when the CMMS was first published, we had the capability to lift approximately 27 MTM/D. By the end of this fiscal year, our airlift capability will have expanded to almost 46 MTM/D, a 70 percent increase. Looking toward the future, with the C-17 reaching full production, we will embark on a new era in strategic airlift. The C-17 is a modern, low risk airlifter that will allow us to deliver our fighting forces closer to the battlefield, faster and more efficiently than ever before. The C-17 is the critical part of the total airlift picture in that the additional lift capability it will produce allows us to reach the goal of 66 MTM/D.

The support given by this committee and Congress as a whole made 1988 a banner year for the C-17 program. At the most modern aircraft production facility in the world, the Douglas Aircraft Company plant in Long Beach, California, the first of a new generation of airlifters, the C-17, is under production. We completed Critical Design Review in July, 1988, and assembly of the first aircraft began in August. The Department of Defense gave approval for MILESTONE IIIA, low rate initial production this month, and we are pressing ahead to reach an economical production rate of 29 aircraft per year by FY93. Thank you for your support.

The President's Budget before you supports an IOC of FY92. I am relieved to have this capability finally become available to our warfighting CINCs. As these CINCs testify before your committee over the next 2 weeks, I can tell you what they will say — the nation must have the operational utility offered by this state-of-the-art airlifter. Since the CMMS was published in 1981, part of our national strategy has been to achieve a 66 MTM/D capability. The C-17 enables us to meet that goal with unprecedented flexibility for the theater CINCs. When the first aircraft is delivered to Charleston AFB in FY91, we will take a major step toward meeting our national airlift mobility goal.

The C-17 is not simply the best solution to meet the present and future airlift requirements of the war-fighting CINCs---it is the only solution. The C-17 will provide the capability to project light and heavy combat units, including any outsized equipment the services may have. When needed, it will deliver these units directly to the forward battle area, ready for combat. It will swing from its main strategic role to the theater airlift role to employ and resupply theater forces. The sustainment phase is most critical and this is where the C-17 pays off. It will be capable of moving large quantities of munitions, fuel, and outsized cargo needed by the Army's highly mobile ground and aviation forces directly to the fighting in forward areas. More importantly, the C-17 will lower the manpower requirement and decrease the operation and support costs. It will minimize the life-cycle costs and provide the most affordable solution to the nation's airlift shortfall.

In peacetime, we exercise the airlift system daily. In a low-intensity conflict, we transport the forces that spearhead the attack. During a major war, we provide the fast lift of supplies that could help deter the escalation of war. Airlift is a vital element in both peace and war and we need your continued support for the modernization of both our airlift forces and to maintain the readiness of our current airlift forces.

## SEALIFT

Since assuming command of USTRANSCOM, I wear the hat of not only the airman and soldier but also the seaman and from the seaman's perspective, a serious national problem exists. I'm referring to the threat to our national security caused by the continuous erosion in our nation's commercial maritime industry. Approximately 75 percent of USTRANSCOM's sealift capability comes from the commercial sector. Only six major US liner operators remain engaged in oceangoing trade.

The warfighting impact is even more serious when one understands that the remaining 25 percent of our hulls, although government owned, are manned by commercial merchant seamen. Those seamen comprise a pool of seasoned sailors with a rich tradition of service to national defense who now find their numbers have dwindled 60 percent since 1970 to a current level of 28,000 and are projected to further decline to some 12,000 actively sailing by the turn of the century. Half of the current force is 50 years of age and there are fewer younger people coming forward to replace them since there are fewer berths to which they can be assigned. Fewer ships and technical advances have caused a decline in employment. The impact of a reduced manpower pool will affect our ability to activate and crew the ships of the Ready Reserve Force. Studies are underway to create a viable manpower reserve to crew these ships in an emergency. I am dismayed by the serious implications of the fact that a nation with our proud maritime heritage, the largest trading nation in the world, now has a merchant marine that carries only 4 percent of our foreign oceangoing trade. The US maritime industry has no commercial oceangoing ships under construction or on order in the United States. The last ship launched in the U.S. was the SS Kodiak on 9 November 1987. Frankly, I view the current state of the US maritime industry as a national tragedy. This nation's real might lies in its economic power that underpins its military power. When this economic power has been threatened, we've consistently taken measures to keep it strong in industries ranging from textiles to airlines. Our merchant marine dilemma deserves equal visibility and attention.

I am not alone in my beliefs. In the past two years, I have conferred with Navy leadership, industry leaders in the shipbuilding and ship transportation business, union leaders, and administration officials. Furthermore, I have read and have been briefed on numerous sealift studies and they all agree with the current and potential severity of the problem. Although mobility studies and expert opinion vary substantially on the actual sealift requirement, and on our capability to fulfill that requirement, the consensus invariably points to one conclusion — our commercial maritime fleet and its supporting industrial base are disappearing.

The increased risk to the nation is apparent when viewed in the context of "forward defense" — the global military strategy of the United States. As I mentioned earlier, implementation of this strategy is dependent on the mobility elements — airlift, sealift, land transportation, prepositioning and readiness. We can assemble airlift within hours to rapidly reinforce and deploy troops and high priority equipment and supplies. Troops airlifted to their destination will marry-up with prepositioned supplies and equipment. That which is not prepositioned, the bulk of the Army's combat power and sustainment supplies, will go by sea. In Korea and Vietnam, this amounted to 97 percent of all war material moved. Admiral Crowe has stated, "In any major overseas deployment, sealift will deliver about 95 percent of all dry cargo and 99 percent of all petroleum products." Therefore, a successful strategy is dependent upon equally strong legs of the mobility elements. For reasons already mentioned, strategic sealift is the critical but now weak link.

To fully understand what a deteriorating merchant marine means to our warfighting capability, some explanation of the strategic sealift mission is necessary. The strategic sealift mission can be generally grouped into two categories: surge shipping after initial mobilization and resupply shipping to sustain our forces in the combat theater. The types of ships required for each mission are strikingly different. Surge shipping needs to be militarily useful to handle the outsized, bulky military unit equipment. Fast RO/RO ships are ideal for this. Resupply shipping, on the other hand, carries mostly containerized supplies to meet daily consumption and to build reserve stocks. As you will later see, the need for different ship capabilities exacerbates our sealift problem.

Various committees and studies have defined and assessed the decline of the US Flag Fleet. Not only has the merchant marine declined in numbers of ships, but the situation has been worsened by the decline in unit equipment capable military ships. This situation is caused by an economic shift toward larger, non self-sustaining container ships. The most well received study in this area is the Congressionally Mandated Mobility Study (CMMS). Known for establishing airlift requirements, it established sealift requirements as well. This study was the first to determine that more fast sealift is needed to complement the nation's airlift capabilities. It stated that a mechanized Army division requires more than 100,000 tons of cargo for deployment and over 1,000 tons per day for resupply -- an amount too large and too costly to be transported entirely by air. Another study, the 1984 Sealift Study concluded that in an example full deployment, dry cargo lift requirements totaled about 800,000 short-tons of unit equipment for surge and about 1.7 million short-tons for resupply. The then existing US maritime fleet was judged marginally inadequate based on a projected decline of 15 percent (1.9 million to 1.6 million deadweight tons) in available shipping.

The Commission on Merchant Marine and Defense Study represents the most recent public effort to assess the nation's capability of meeting its strategic sealift needs. The commission, after lengthy research of the maritime industry and military requirements, concluded the United States faces a clear and growing danger to national security due to the rapidly deteriorating condition of the US maritime industry.

They determined that a total of 650 modern cargo ships are required from the

US Flag Commercial Fleet, MSC fleet, and the Ready Reserve Force to meet minimum wartime sealift requirements and still provide for adequate domestic economic support. Their estimate assumes the full utilization of the effective US control and Allied shipping pools. With the current downward trend in the industry and even with the anticipated future growth of the RRF (Ready Reserve Force), the commission projects a shortfall of 290 ships by the year 2000. Additionally, they believe a shortage of some 12,000 merchant seamen to man our fleets will exist if no corrective action is taken.

As you can see, the requirements versus capabilities discussions vary from study to study depending on the assumed scenario, availability of effective US control and Allied ships, assumed attrition factors, and the notional ship capacity each study selected as "standard." At this point, defining the exact number of ships sufficient to do the job is not as critical as recognizing and taking action to deal with the erosion of our strategic sealift capability. Every study or assessment of the situation points to the fact that we are heading in the wrong direction.

Fortunately, action to turn things around has already begun in some areas. Thanks to the foresight and commitment of the Navy, 7 billion dollars have been spent on improving strategic sealift capability since 1980. The dominant emphasis of sealift improvements since 1980 has been to increase government owned sealift capacity to offset the declining capacity of the civilian merchant marine. Under DOD sponsorship the RRF has grown to 92 ships, 8 Fast Sealift Ships were acquired, and seasheds and flatracks were procured to enhance the utility of commercial container ships. We estimate that with these government resources, prepositioning shipping, and U.S. flag commercial shipping the United States has the capability to lift just over 80 percent of our unilateral surge goal of one million short tons of unit equipment.

With the FY89 budget, funding for the continued expansion and maintenance of the RRF was transferred to the Maritime Administration (MARAD). Although no longer part of the DOD budget, we need to concern ourselves with the funding for the RRF in the Department of Transportation budget. The RRF is extremely important to the wartime surge and resupply equations in our defense plans. A unique element within the RRF also deserves attention and support — the Navy's Auxiliary Crane Ship (TACS) program. Integral to the strategic mobility equation is the force (Army) capability to receive and discharge cargo in the objective area. The TACS give us this capability by permitting offload of non self-sustaining container ships in an austere or battle damaged port or in-stream. TACS are C-5 and C-6 breakbulk and container ships with two or three twin boom heavy lift cranes capable of offloading containers of all sizes and even wheeled and tracked vehicles up to M-1 tanks. Seven of twelve ships have been completed and are a part of the RRF. The next two ships are scheduled to be delivered this spring, and contracts for conversion of ships #9 and #10 are in final negotiations. MARAD's FY90 budget contains funding for ships #11 and #12.

Another Navy program designed to improve strategic sealift capability was the purchase and conversion of eight container ships into RO/RO/container rapid response ships. These ships, known as Fast Sealift Ships (FSS), provide us with great versatility. They are magnificent ships, large, fast (30 knots), and readily available on 4-day notice from their East and Gulf coast ports. These vessels form the cornerstone of our strategic surge sealift fleet. We urge full support of the DOD budget line for operation and maintenance of these ships.

Although not under USTRANSCOM's control, we are also supportive of the Navy's Maritime Prepositioning Ships (MPS) -- a total of 13 ships with USMC equipment organized in three forward deployed squadrons of prepositioning ships, one each in the Atlantic, Pacific, and Indian Oceans. Each squadron contains 30 days of prepositioned supplies and equipment capable of supporting a Marine Expeditionary Brigade. The objective is to have the capability of employing a combat capable force in 10 days or less. Airlift will insert the personnel.

A similar program is the MSC-managed commercial charter of 12 ships for the

Afloat Prepositioning Force (APF). These vessels give us a response capability in areas like Southwest Asia where lack of host nation support precludes us from prepositioning reinforcement supplies and material.

Finally, several ongoing initiatives in the Navy's Sealift Enhancement Program are designed to increase the military utility of the growing number of commercial containerships I previously alluded to. These enhancements consist of seasheds, flatracks, and universal adapters which will enable 25 container ships to carry unit equipment such as trucks and tanks. Additionally, we're installing cargo delivery systems that permit cargo ships to conduct underway replenishment operations and are purchasing offshore fuel discharge systems and elevated causeways to modernize and streamline ship-to-shore cargo and fuel transfers.

These efforts to strengthen our strategic sealift force are presented in the President's budget before you. However, recognize them as only a bandage to stop the bleeding in our sealift capability. I solicit your support in keeping the bandage fully in place until the wound has time to completely heal. This can only be done through a concerted effort to restore the health to our nation's maritime industry. The health of this industry directly impacts USTRANSCOM's ability to accomplish its mission. This is why I bring this issue before this committee. This is why you see me in the strange role of advocating support for the sealift portion of the Maritime Administrator's budget before this defense forum. I would be happy to do it in any forum because it highlights the national scope of the problem and the national solutions that will be needed to fix it. I further urge you to discuss support for the MARAD budget with your colleagues on other committees, for as former Secretary of Defense Carlucci said in a recent statement before leaving office, "The problem is beyond the ability of the DOD to resolve and clearly requires the cooperation and attention of all appropriate government agencies." Currently, there are no hard and fast solutions to this enormous problem but we know DOD cannot solve it alone. It requires a national resolve led by our new Administration, you the Congress, and the entire maritime industry if we are to make significant improvements in our strategic sealift posture.

The first positive step in that direction would be adoption of a National Sealift Policy. Putting on my airman's hat once again, we've made progress in airlift capability in part because a national airlift policy was adopted. We stated our policy up front and for everyone to see. I believe similar positive results are to be gained if a National Sealift Policy is implemented. Until the time when we can make serious inroads into reversing the negative trends currently experienced and predicted in our maritime industry, I solicit your endorsements of those strategic sealift programs already underway and those that we may propose in the future to ensure our warfighting readiness.

Of particular importance is the proposed National Sealift Policy currently being staffed by the National Security Council. This policy statement was developed in the Department of Defense and staffed through an interagency working group. These initiatives will assist in making our merchant marine more competitive. We must become more competitive and increase the four percent market share of our U.S. foreign waterborne trade. This will allow us to efficiently expand our maritime industry. In the meantime, we must create a viable Merchant Marine Reserve to crew the RRF and NDRF in time of emergency.

## COMMAND AND CONTROL SYSTEMS

Command, Control, Communications and Computer Systems (C4S) is extremely important to the success of this command. All the lift capability in the world is of no use if we are unable to direct and control it. Communication and computer systems are the keys to success for the United States Transportation Command. Proper command and control allows us to tie together the three lift elements; air, land, and sea.

The rapid advances in communication and computer system technology has produced an explosion of information capability for the commercial transportation industry. The ability to capture and use information has been the cornerstone of the industry's productivity and economic efficiency today. Currently, industry is focusing on flexible sharing of information for intermodal management and tracking of vehicles and cargo. A key achievement has been the industry's adoption of standards such as Electronic Data Interchange (EDI). Since the commercial transportation industry provides over 70 percent of the DOD's wartime transportation capability, USTRANSCOM will capitalize on this technology and integrate it within the military transportation capability.

The command's initial development of its Command and Control Master Plan has identified an extensive baseline of systems which provide fragmented support to all echelons of users. USTRANSCOM will capitalize on these existing support systems to provide a "network of systems" commonly known as the "Global Transportation Network." This network will allow any user to access needed transportation information from any other user's systems of data bases. By using this extensive baseline of systems, I expect to keep our command and control systems funding requirements to only that level which is needed to provide this capability.

The nation has waited a long time for the integrated approach that USTRANSCOM brings to global transportation management. The defense transportation community needs this single, interoperable, user-oriented command and control system to provide required information to decision makers at all levels of responsibility. Your continued support for our command and control systems is requested. USTRANSCOM needs this capability.

## CONCLUSION

Mr Chairman, in conclusion, I once more thank you for the opportunity to address your committee on the role and main issues of the United States Transportation Command. I am sure we will be back with further proposals for programs to ensure our nation has a total defense transportation system which completely supports the rapid and sustained reinforcement needs of theater commanders throughout the world. Our plate is full and the challenges are many, but with your support I foresee the total integration of air, land, and sea transportation assets to meet our national security objectives as a reality in the near future.

Chairman NUNN. Thank you very much, General Cassidy. I am going to ask the clerk to keep our normal time and inform me when the time is expired for each Senator. We will recognize in accordance with our normal rule.

Let me ask all of you this question. You know and you have already alluded to in your testimony the budget squeeze we are under now. The decline has lasted for 3 years in real terms, in terms of the defense budget, and we see another agreement that has just been made between the President and congressional leadership that is going to continue that trend of defense spending decline in real terms. So the squeeze is on and we all know that. We have an additional $4.5 billion to cut this year out of President Bush's original proposal based on his most recent agreement with Congress, and over $60 billion has to come out of the 5-year defense plan.

All of the CINCs make a point that the readiness is good. I think we hear that manpower quality is good, and that is very encouraging. Modernization programs continue, though we recognize and regret the stretchouts which are taking place all over the map. And I do not know of anyone who has said that they welcomed any kind of force structure cuts. So manpower is important, readiness is important, modernization is important, and no one has offered up force structure.

That just about covers the budget. Yet we have to make some cuts. So we are down to the choices. Would you prefer to protect the readiness posture and the modernization programs in place today—and you can separate those two if you choose to in your answer—even if it means a reduction in force structure, or, on the other hand, would you be prepared to see a lessening of our combat readiness in order to preserve the current force structure? General Cassidy.

General CASSIDY. Mr. Chairman, to me readiness is preeminent, and it is preeminent for several reasons. One I alluded to in my opening comments. First of all, readiness will affect our people first and, most importantly, they will see that they cannot do their job and a hollow force is the kind of force that they will not be part of.

Chairman **Nunn**. Are you saying that readiness is more than the ability to go to war immediately; it also involves the very fiber of your morale in the services?

General **Cassidy**. Absolutely correct, sir. No doubt about it. The people who will know first that their readiness is not good are the people out there on the line, and they will not tolerate that. A quality readiness force is a different force to deal with. They understand that best and will leave us, and we have begun to see signs of that already. And that is disturbing. So I think readiness is preeminent. Of all the places that you should cut, we certainly should maintain readiness, whatever size that force is.

I heard the comment made one time that we need to keep all the flags we can, put everybody on half rations, suck it up and tough it out. I just cannot subscribe to that comment at all. I think that would be absolutely the wrong way to go. We have been through this before, and we have already reduced the force some. You mentioned that we have been unwilling to do that. In my command alone, in the Military Airlift Command, we have reduced the start number by about 4,000 in the last couple of years, and the Air Force by about 32,000 people. So we have been a part of some force reduction already.

I think what we would say to the American public and to you is that we need to look at the long term for what money we will have, what it is decided we will spend, and recognizing that we have some very severe financial problems in the country, what is the size of that budget. We will tell you what size force we can give you with that, and it probably will not be as large a force as the country deserves, but it will be a ready force and I think we need to preserve that of all things.

Chairman **Nunn**. Thank you, General Cassidy. General Richards.

General **Richards**. I know that I can speak for General Galvin on this because we have spent a lot of time, obviously, discussing our priorities in Europe. And I totally agree with what General Cassidy has said. The readiness of our force must come first, for the reasons he articulated. If we do not have ready forces our people will not stay with us and we have those good quality people that we are concerned about retaining. If we have to take any cuts, then of course modernization and force structure are both areas that we must look to before we look to the readiness of the forces. Those operating funds that we require for day-to-day operations are absolutely essential to the morale of the force and to the readiness of the force.

Chairman **Nunn**. General Powell.

General **Powell**. I agree with my colleagues, Mr. Chairman. You cannot keep applying negative real growth to the budget year after year and stretch out modernization and chip away at the readiness accounts indefinitely. Sooner or later you have to understand that the American people and Congress have made a judgment that only a certain level of moneys will be made available to the Department and I believe at that point it is our responsibility to give you a balanced force structure in return, one that is ready, one that is trained, one that people are proud to be in and one that the

American people are proud to see, one that is also making the proper investment in its future. You have to invest in future systems that will come along if you want to stay abreast of the worldwide threat, and if the squeeze finally comes so you cannot do it all, then I would vote in an instant, as I have told my associates and my superiors, for a smaller but ready force with the kinds of quality that we have now and a force that is at the same time investing in its own future.

Chairman NUNN. General Cassidy has sealift and airlift. General Powell, you have the forces to be supplied to the CINCs, and that sealift and airlift is crucial to your own role—the ability to supply those forces particularly in our forward defense posture around the world.

I understand exactly what you are saying about readiness, but we all know that we have a lot of forces in this country that cannot get to a European theater or any other theater. Some of them get there in the first 30 days, some of them in 60 days, some of them in 90 days, and some of them even after that. Based on current sealift/airlift capabilities, and even the 5-year defense plan if it is carried out, and even if we make progress on maritime, we simply cannot get all of our forces to the scene of the battle.

I understand your point on morale of forces if they believe that they are sort of inadvertently going through this decline in readiness. But is there, a case to be made—and I will ask you, General Powell, and then comments from General Richards because he is the user here—that we ought to have staggered readiness based on the time element in which these forces can be sealifted or airlifted? That is to say that forces that cannot be sealifted and airlifted for 60 days should not have to be ready in D-plus-10 but rather be ready when the assets are ready for them to be transported? Now if they are told that and they are told their mission is D-plus-60, it seems to me it is a different morale factor than if they believe their mission is D-plus-10 and yet they see a deterioration in readiness. Would you give me your assessment of that theory?

General POWELL. It is an accurate theory, Mr. Chairman, and we do have staggered levels of readiness and the resourcing for those levels of readiness.

Chairman NUNN. Is that advertent or inadvertent?

General POWELL. Advertent. Now in some cases even our levels of readiness in resourcing are in line with the warfighting CINCs' needs, General Richards and General Galvin, and also recognize the transportation that will be available. But even there, there is a mismatch. There is inadequate transportation. The thrust of your question is, well, then, should we not merely push the various readiness steps down until it matches transportation.

Chairman NUNN. And, correspondingly, push the readiness up on the early-deployable units.

General POWELL. The early-deployable units I try to keep at the highest state of readiness. My Third Corps units, for example, the heavy M-plus-10 forces going to Europe, we try to keep as ready as we possibly can. Later-deploying National Guard and Reserve units are kept at lower states of readiness and we can afford those lower states of readiness because we expect to have a period of post-mobilization training and cross-leveling of equipment and filling while the transportation assets are eventually being made ready to move them to the theater.

But the real key, I think, is to put more resources into the things that General Cassidy has spoken about. The C–17, that is why the Army has been such a strong supporter of the C–17, and the need to do something about our maritime fleet. Because my own judgment is that all the airlift in the world will not really sustain the force in combat over an extended period, what you must have is an adequate sealift capability, as General Cassidy has addressed. So I think we have to do both things. We have to make sure that we have the proper resourcing in a time-phased sequence to units so that we are not trying to keep everybody ready to go on D-plus-one, and I think we do a pretty fair job of that, but at the same time I would not simply push that all down until it reaches the level of current transportation resourcing.

I think we have to be sensitive to what the warfighting CINC says he needs. What we need to do is to make sure that I am doing my job correctly in staggering those units in response to warfighting plans, and that we put the necessary resources to the Transportation Command so they can move them in a timely manner that is responsive to the warfighting CINCs' needs.

Chairman **Nunn**. Could you, General Powell, furnish for the record the level of readiness of your various units? I do not want you to go through a new paperwork drill, that is not my idea, but I am saying using current information.

General **Powell**. The information is available, Mr. Chairman. It is classified, of course, and we will provide it for the record.

[The information is retained in committee files.]

Chairman **Nunn**. The staggered readiness that you talked about, I must confess I have not looked at this in probably 12 months, but my impression is it always has been way out of sync, that we have always had substantially more assets than we could possibly get to the scene of any war other than with Mexico or Canada, and even that is questionable.

If we are going to have to make budget cuts, even though I generally agree with the theory that readiness is extremely important, it seems to me that we ought to at least consider adjusting the readiness levels to the ability to use those forces in any foreseeable scenario and explain to the forces what we are doing. I do not think it ought to be done without full and total explanation so that their job description becomes one that part of their job would be to take D-plus-one and make darn sure that they can get ready by the time their assets are ready to be delivered.

My time has expired so let me move to Senator McCain and then if any of you want to comment later you may.

Senator **McCain**. Thank you, Mr. Chairman.

General Richards, have you seen any reductions in Soviet forces, either strategic or conventional, except for those dictated by the INF Treaty?

General **Richards**. No, we have not, Senator.

Senator **McCain**. Have you seen any increases in Soviet forces, particularly in the strategic arena?

General **Richards**. We have seen increases in capability through modernization. As a matter of fact, as you look at any piece of equipment the Soviets have you will find that there has been a sustained effort to modernize. That includes the strategic missiles, the tactical theater missiles, and the conventional forces. Everywhere we look, we see modernization, and we have seen no reductions.

Senator McCain. Does this modernization increase their offensive capability?

General Richards. The only thing we have seen that might lead one to believe that they are changing is the literature that we read, and they are talking more about posturing their forces in a defensive mode. We see some indications that they are in fact doing that, but nothing substantive.

Senator McCain. Isn't there going to come a time, pretty soon, when Mr. Gorbachev's rhetoric is going to have to be translated into tangible results?

General Richards. That is exactly what we are waiting for. We would like to see that happen, the promises fulfilled.

Senator McCain. General Powell, welcome. Again, it is always a pleasure to see you. Let me run an idea by you for your comment. We are experiencing an era of reduced defense spending. We hear from some quarters that we will have to make significant sacrifices in some areas in order to maintain the United States' traditional method of maintaining superiority by continued development of weapons which makes use of high technology, therefore we can spend more on developing a few high technology capable weapons and sacrifice some readiness. Your comments?

General Powell. I think you need both, Senator McCain. You cannot go back to—and people actually suggest this—you cannot go back to a World War II type force structure where you have lots and lots of cheap weapons and you flood the battlefield with them. Cheap, simple weapons do not work in today's threat environment. So I think you must make an investment in new weapons using the best technology that American minds can produce and American industry can produce because that is what we will need to survive on a future battlefield. But you cannot do it in a way that when you eventually have these weapons you are not able to train with them, and you are not able to equip ready forces with them.

So it is once again a question of balance. You have to have the best weapons you can buy but you have to have them in sufficient quantity so that you have redundancy on the battlefield and you have to be able to invest in the training and readiness associated with those weapons.

A simple example, if I may, Senator McCain, is our Bradley fighting vehicle—which, by the way, has taken some public relations hits but on balance is an outstanding vehicle—it gives you a 24-hour capability. You can fight it all night. It can see in the dark. It has a much-improved chain gun on it than the old 50 caliber sitting on top of a 113. It has an anti-tank capability. And it has a significant mobility advantage over the vehicle that it replaced, the 113.

When I was a young lieutenant it was easy to train with a 113. All you needed was some 50 caliber ammunition and a simple range. But to train with a Bradley, to make sure that the crew understands its full capability and can use it, is a much more expensive proposition. But we pay for that capability and now we have to make sure that we are maintaining that capability by training the soldiers and giving them what they need to operate that system. I think that applies to most of my fellow colleagues here at the table and their systems.

Senator **McCain**. I am not in disagreement with anything you said in a perfect world, but it seems to me that you basically have three choices. You either cut back on readiness, cut back on procurement, or you reduce force size, shifting some mission requirements to Reserve and Guard forces. I do not see how we can do all the things that you just said given the fiscal limitations which we are having imposed on defense spending.

General **Powell**. It is a difficult question, Senator McCain. I think if there is one thing the Department needs more than anything else and what I think FORSCOM would like to have more than anything else is a clear sign of what the American people and what Congress will support in the future.

If you were to say to me would you take an X percent real growth cut this year, but I promise you that I will sustain that and give you stability for the program years, I would almost jump at the deal. What is killing us is the lack of stability over the years. Every year promises are deferred. We are going to get real growth, but it does not show up. So what we have seen is just continuous negative real growth with no change in that prospect for the outyears. What we have to do for the American people, Congress, the administration and the military is all come to a common understanding of what level of resource is available and let us discuss whether that level of resource will provide a balanced force structure that is adequate to the threats that we see in the world. It is a tough question to answer.

Senator **McCain**. Thank you. General Cassidy, I share your view, and I think this committee does as well, about the criticality of our sealift capabilities. I would suggest to you that historically one of the reasons we are in the poor condition we are in today is because of the lack of priority placed by the Department of Defense on procurement of enhanced sealift capability. I would suggest to you that your mission, if it is as crucial as you say in your testimony, is to convince the Department of Defense that sealift capability is a high priority item and that you are able to come up with some solutions to the problem.

Thank you, Mr. Chairman, my time is up.

Chairman **Nunn**. Thank you, Senator McCain.

We are going to have a rollcall vote in the next 10 or 15 minutes. We will be leaving to vote but we will continue the hearing. Senator Exon.

Senator **Exon**. Mr. Chairman, thank you very much.

Gentlemen, I want to follow up on what Senator Nunn was asking you. When I listened to your answers to his questions on readiness, I guess the bottom line is—and I want to make sure I understood what you said—if it is necessary to make some reductions then I believe it was your testimony that you would rather see forces cut, if necessary, to retain the ultimate in readiness. Is that the position that you each took?

General **Powell**. Yes, sir.

General **Richards**. Yes, sir.

Senator **Exon**. Let us go into that, then, just a little bit further. Were each of you contacted regarding the cuts that are now trying to wrench their way through the Pentagon? How much input did you have on those suggestions and tell us what you can, if you care to, about what priorities you set other than the ones that we have just established.

General **Cassidy**. If I could take that first, sir, we have been given great opportunity as CINCs to put the ultimate in readiness into our integrated priority list, where we are answering to the Department of Defense the exact question that you have asked us, what is our priority, so the Department of Defense can then give to each of the services that priority and somehow crunch them together and come out with a balanced force. Our integrated priority lists are carefully constructed by us. They are molded together and we do not do it in isolation of one another. My staff works closely with the EUCOM staff and the FORSCOM staff as I put together my priority list, and some of that I suppose is self-serving in that we want to make sure that our priorities, real priorities, come out clearly to the Department of Defense staff when they start working with it. So we have a clear ability and a process that is listened to to do that.

If we feel that our priorities are not listened to and that our service programs are not properly seen, then our ultimate recourse is the Defense Resources Board, and we have the ability to appear before the Secretary of Defense or the Deputy Secretary of Defense and articulate those needs in front of the other CINCs and the entire staff. As a matter of fact, we met 2 weeks ago. So, to answer your question, yes, we have said that. And, yes, we have articulated those positions, and I believe I have been heard on that.

Senator **Exon**. I am glad to hear that. General Richards and General Powell, do you have anything to add to that?

General **Richards**. Well, I would just echo what General Cassidy said. We have been very happy with the support we have had in Europe from both the services and from the DRB in the last couple of years, and I am sure this year will be no different. They have paid attention to what we listed as our top priorities in our integrated priority list and have met, in almost all cases, our requirements at the expense, I would say, of many other programs and other forces around the world.

General **Powell**. I can second that, Senator. I sat with General Cassidy and with General Galvin for 3 days of DRB meetings the week before last; and 2 weeks before that I sat through an Army commander's conference. So I have been able to input both in my Army hat as well as in my CINC's hat.

Senator **Exon**. General Powell, I do not want to put you on the spot, but I will. When you were National Security Advisor, you had a great deal to say about recommendations between modernization of our ICBM forces, especially with regard to a decision to be made between the Small ICBM and the rail-garrison MX. Your position at that time was that if we had to make a choice between the two of those systems in a budget crunch, that you favored the rail-garrison as opposed to the Midgetman, is that true?

General **Powell**. You are putting me on the spot, Senator. There is an old saying, when you are through pumping, let go of the handle. I thought I let go of the handle on January 20. But to be responsive, Senator, my view was that Midgetman was a fine system; it was a question of affordability. And I shared Secretary Carlucci's view and the decision made by the President at that time, that we go with rail-garrison MX, but sensitive to the desires of Congress and this committee, particularly.

We made arrangements to keep additional money available for a decision to be made this past March with respect to Midgetman. I know that the current regime in the White House, President Bush and his advisors, are looking at that now and will be reporting to Congress in the near future. I do not know the exact date. But I supported the President's position and Secretary Carlucci's position.

Senator **Exon**. Do you have any inkling from what went on in those budget deliberations over there, as to which way the current people in charge are leaning on that issue?

General **Powell**. No, sir. I do not.

Senator **Exon**. General Richards, given the conventional imbalance, which is at the heart of a potential instability between the superpowers, from a military perspective at least, should the United States agree to START agreements before a comprehensive conventional arms control agreement is established, or at least in prospect for Europe?

General **Richards**. We are very interested in moving toward some kind of conventional arms treaty, and we think the time is certainly right to do that. The Soviets appear to be willing to talk, and I think we ought to take them to the table as soon as possible and talk seriously about reducing the force that they have facing us in Europe. So we are definitely in favor of moving ahead with a conventional arms treaty. As far as progress on START, of course, we see that as very important to the country and we see it as important to Europe. But I would personally put conventional arms negotiations a little ahead if I had to list them in priority order.

Senator **Exon** [presiding]. My time is up. Senator Cohen.

Senator **Cohen**. Thank you. Senator Nunn indicated before, no one has come forward with proposed reductions in force structure. I think it should be clarified that no one in current service has come forward with proposed cuts in force structure. I believe that the former Secretary of the Navy has proposed some radical cuts in force structure. As I recall, he called for cutting in half some of our active divisions, reducing the "600-ship Navy," which does not yet exist, to 450 ships, reducing air wings, and so forth, and shifting more to Reserves rather than active duty forces. On the other side of the spectrum you have Mr. Ed Lukewak, who has said let the readiness go, and let us just keep modernization in force structure intact until we see where the Soviets are going.

So we have a number of proposals. And part of our problem is we get caught in a classic cross-rough every single year because you gentlemen will come in and say, it is readiness which really counts, and then the JCS are going to come in the next week and say, no, no, no, we have to have the modernization program because that is key to defending the homeland. And that leaves the committee about where we are today, which is really up that tree.

Now, General Powell, I would like to focus on you specifically because you have been in a unique position. It seems to me you are stressing readiness as the key element. And the likelihood, however, from your experience, is probably some kind of a compromise, I suspect, that will have some reduced readiness, it will have some reduced force structure, some delays in modernization, and roughly the same commitments. How does that strike you in terms of a posture for the United States?

General POWELL. Well, without quantifying it, it is hard to answer that question by some reduced readiness, some reduced this, some reduced that.

Senator COHEN. Let me turn it the other way. It seems to me the only other choice is reduced commitments. Someone has observed you cannot formulate a policy or have a policy until you have some kind of an equalization between power and commitment. And right now there is a clear imbalance between our commitments and our power to carry out those particular commitments. So it seems to me that you are going to be dealing with force structure, readiness, or commitments. So I guess the question would be, I will let you answer it, reduce readiness, reduce force structure, same commitments, how does that strike you in terms of a policy for the United States?

General POWELL. I think we should wait until the President's strategic review is completed and the various studies that are ongoing, to see what his view of the various commitments are, and whether that gives us some suggestion of the direction in which we might want to move.

You can always squeeze a little bit more out of readiness, and you can always stretch out a procurement. But I think we are reaching practical limits with respect to stretching out procurements, and I am not the expert in that. I think we are reaching the practical level in terms of pulling back in our readiness, and not providing adequate resources to our base operating accounts, and adequate resources to our people programs. So I think we are reaching the limit as to what we should prudently do there. And I think all three of us have said, as we approach that limit and hit that limit, the choice is to consider a smaller force structure. None of us are advocating a smaller force structure. In fact, if you ask the question differently, I would advocate a larger force structure. But, if one of those has to give, then I think what you have heard all three of us say, force structure is the one that should give.

Senator COHEN. You indicated in response to Senator Exon that given the choice between MX and Midgetman on the basis of affordability, it would have to be the rail-garrison MX. If it were strictly a question of affordability, could you not make a case for just leaving the MX where it is, not pursuing the Midgetman, and going to some kind of an upgrade of the Mark-12A on the current Minuteman force with a limited SDI protective capability, if you were really looking just at simply affordability?

General POWELL. If it was not a question of affordability, there are a lot of cases that could be made, both MX and Midgetman, or certainly the alternative you suggest, and I am a little out of my portfolio in commenting on the technical adequacies of such proposals. But if it was just a question of affordability, I am sure the alternative you are suggesting is one that should be looked at carefully.

Senator **COHEN**. General Cassidy, you indicated in your prepared statement that the funding for the Ready Reserve fleet was a responsibility of the Maritime Administration and that MARAD is now going to be paying for two crane ships in fiscal year 1990. Why do we assign to MARAD the responsibility for military sealift?

General **CASSIDY**. That has just changed, Senator. And the logic for that change was that the ships in the Ready Reserve force are all maritime ships and they will all be ships operated by Merchant Mariners should we have to use them. And those Merchant Mariners would all have to be provided to us through the Maritime Administration and therefore the responsibility for maintaining that force, and then turning it over to me for my use in wartime was given to MARAD. There is such a very close alignment between that entire force, its use, its maintenance, its crewing, that the decision was taken to have it completely under the Maritime Administration.

Senator **COHEN**. You do not have any problem with assigning this responsibility to a domestic agency as such?

General **CASSIDY**. We have not had a chance to work that out. It has been assigned less than a year now, so I cannot comment whether it is working well or not working well, but I believe that, within the administration, we can set out the right sorts of memorandums of agreement and understanding. And if they are correct, there is no reason we cannot operate it the way it is.

Senator **COHEN**. You basically said our Merchant Marine is on a life-support system and we have had a number of commissions, the most recent one identified the problems. But what are the recommendations that we undertake to correct them that money will not deal with?

General **CASSIDY**. I think it is a solution that, indeed, we will not have to appropriate large numbers of dollars to deal with. And the solution, I believe, is in the Merchant Marine industry itself. The solution is a stronger Merchant Marine. Therefore, if that is the solution, if you will accept that premise, the solution is to make the Merchant Marine larger, and the way you do that is capture more of the market share of our commerce to create a larger Merchant Marine.

We have to create an environment in this country that will revitalize the Merchant Marine. Our Merchant Marine, as I have stated several times before, carries only 4 percent of this Nation's commerce in U.S.-flagged ships. My simple goal would be to double that number in a certain period of time, and then set a goal for something higher than that, that would then create a Merchant Marine of significant size that would guarantee the merchant ships that I need for wartime. My point is, buying ships and tethering them in some river channel and letting them sit to wait is not the way to do it. The solution is to have ships with American flags plying the seas every day, being available for us.

Chairman **NUNN**. Thank you, Senator Cohen. Senator Kennedy.

Senator **KENNEDY**. Thank you very much, Mr. Chairman. Just to pick up where Senator Cohen and others have inquired of the panel, I want to commend General Cassidy as someone who has been talking and speaking about the importance of sealift capability and capacity. We had the testimony last year of General Otis making the same kind of comments and with the same kind of urgency.

Mr. Chairman, we now have the Fast Sealift Program Technology Assessment report, which was requested by our committee last year. In terms of the new kinds of technologies, I welcome the fact that General Cassidy was a member of that panel, and indicated in his letter, as a part of the record—I do not concur, however—that pursuit of fast sealift technology by the Department of the Navy should be delayed pending further requirement studies. In my view, the current and projected decline in U.S. merchant sealift capability mandates a continuing research and development program. The fact is, in this study, all they are asking is to do another study. And we had the study of 1981, the Mandated Mobility Study. It said more fast sealift was needed. In 1984, the DOD Sealift Study confirmed this conclusion. The testimony of all three CINCs have indicated, again, that this was necessary and essential in terms of meeting our NATO requirements.

I think whether or not we all recognize it, we are going to have to deal with various new technology, modernization, weapons systems. But if you think now that maybe, as a result of reduction of force there is going to have to be some adjustment in terms of Western Europe, hopefully worked out, obviously, with our allies, if you get a conventional force agreement in Western Europe, which may or may not come, I think it is completely unrealistic to think that the Soviets are going to pull their heavy equipment back very far unless we are going to do it. And if that is going to be the case, we are going to have a further urgency in terms of sealift capability and capacity. If we are going to have conventional force, all the indicators are that this is even going to be more essential.

Now, all of you have indicated that you have had some opportunity to express your views to the Joint Chiefs, you have talked to the Resource Board, and yet, we see absolutely nothing there on sealift. There was not one indication for increased request for sealift capability. The Navy has not developed a TOR for it. So what is happening? All of you have identified this as to be an extremely important and essential element in terms of our security interest. We have had all the studies in the world on this. We have another study that is just being completed now. And General Cassidy, I think to his credit, has indicated what we do not need is another study on it.

I am just wondering, the Navy obviously has the responsibility; you are having an input. All of you have testified this morning that after the airlift, the sealift capability is important. I think whether you are going to see adjustment in conventional force or not, it is going to be even more important if we are going to be able to get equipment back to Western Europe. So I do not know who wants to take a crack at that first.

General CASSIDY. Let me take a shot, if I may, Senator Kennedy, since we have discussed this some. I think there are two issues there. One is certainly increasing the sealift capacity of the country. And the other one is a technology issue: Should we advance our technology?

As I said in my response to that report, and you have characterized it absolutely correct, I think our country should be involved in—technology is our long suit, we should be involved in it at some level all the time. We should be looking at conventional-hull technology with different propulsions; we should be looking at semiplanning and mono-hull technology; we should be looking at surface-effect ships; and we should be looking at the tradeoffs and find out and be able to report to you: Is it worth X number of dollars to try to get a ship that is carrying 5,000 tons or 50,000 tons at 50 knots? Is the price you are going to have to pay for that worth it? And that is the technology that I think we should be looking at.

I am not convinced the price is worth it. I do not know that much about it. I do not know that much about a ship that large going that fast, because we have never done it. I do know that there are other countries in this world who are involved in technology for maritime shipping, and our country should get involved.

On the other hand, for increasing sealift capacity, the Secretary of Defense, along with us, has sent forth to the National Security Council a proposed sealift policy, a national sealift policy. We believe that the first step to getting the resurgence of or fixing the Merchant Marine is to establish a national sealift policy.

So we think we are underway with that. We have formed some coalitions, and quite frankly, one of them at your insistence. After last year's testimony you sent me to the labor unions. You said, why not go meet and talk with these fellows? We have now spent nearly a year talking to all factions of labor and find them to be very, very willing and supportive in our solutions to a common problem.

We have the National Defense Transportation Association's newly-formed sealift committee taking a position for the entire community, shipbuilders, ship operators, and labor, on the national sealift policy, which the Secretary of Defense forwarded to the National Security Council.

So I think there are some things underway. I share your impatience. And I think we are doing some things that have not yet been visible to this committee.

Senator Kennedy. In that request, is that for some funding, or what is the form?

General Cassidy. No, sir. The form of the request is to first take a look at the recent Commission on Maritime and Defense report, because they have cataloged the problem very well. One of their solutions talked about $13 billion worth of funding for the next few years. We have to find some other way to do that. And so that is the only place we really depart, but we started with the Commission's report and looked at those things that we can do very quickly. And there are some things we can do quickly in policy, in working with the Coast Guard, and looking at regulations, and some things that will permit our liner companies to operate on what we believe should be a level playing field.

Senator Kennedy. Thank you. My time is up. I had some other questions in this area, but I want to thank General Cassidy. I am sorry we did not hear from the others, but we will inquire of you. Thank you, Mr. Chairman.

Chairman Nunn. Thank you, Senator Kennedy. Senator Coats.

Senator **Coats**. Thank you, Mr. Chairman. I just have one question. I know we have a vote coming up, but I would like to ask General Powell a question and maybe get a multi-answer response. The committee recently conducted a series of hearings on the Gorbachev reforms, things that are taking place in the Soviet Union, specifically asking the question, what implications does this have for U.S. policy, strategic planning, and force reduction. What is your perspective on what is going on over there and what you think our appropriate response ought to be?

General **Powell**. Well, Senator, I think very, very fundamental things are happening in the Soviet Union. The best characterization I have heard is one of my colleagues said that they have essentially declared Chapter 11 bankruptcy and President Gorbachev is the trustee. Now, if something were to happen to Mr. Gorbachev, they are still in Chapter 11 bankruptcy and would have to find another trustee, and he is probably the best trustee they have at the moment.

Very fundamental things are happening as the Soviet Union has faced the realization that the system is not working, their system is not competitive for the remainder of the 20th century, and certainly not ready for the 21st century. And they are determined to do something about that, not only domestically, but we see them readjusting their foreign policy accordingly.

Now, this is what I am sure many people have said to you in the course of your hearings. The real question is: What do we do about it? Is it going to make a significant difference in what the United States and our Western and Pacific allies eventually do with respect to our policies and our defense policies? And I think the answer to that is, yes. But I think the answer that should immediately follow that is, but not yet. A lot has been announced, but, as General Richards said, we have not seen anything really happen yet with respect to their defense posture in the West.

It seems to me this is a time for prudence on our part. This is a time to measure every action we take in terms of what is in our best interest of allaying European public opinion or what is in the best interest of helping President Gorbachev. We ought to be very, very prudent and cautious. We ought to seize opportunities when they come along, and we ought to minimize risks as we go along.

So I believe we are on the threshold of significant change with respect to the geo-political situation in Europe, and with respect to the situation elsewhere in the world. But we should not rush in and start taking precipitous actions and start to make major changes in the policies that got us where we are until we actually see things happen in the Soviet Union, and not just the promise of things happening in the Soviet Union.

Senator **Coats**. That reflects, I think, the consensus of most of the people that testified before us. But what specific benchmarks should we be looking for at which point we say, all right, that is a significant action on their part, not just rhetoric, that is a specific action that would cause us to sit down and discuss a specific response? What are some of those benchmarks?

General **Powell**. I think if all the announcements that have been made with respect to force reductions, as we see those force reductions start to actually take place, we should factor that into our positions that we are advocating in, for example, the Conventional Force Reductions Talks. But because the Soviets take a unilateral action such as that, announcing a 500,000-man reduction, I do not think we should instantly think we have to take a unilateral action. I think we ought to acknowledge what they have done; they have done it for their own reasons.

But we ought to take account of it in the negotiations. We ought to remember there is a negotiation that is underway. And let us take our actions in the context of that negotiation. Let us squeeze what we can out of this, and not instantly feel a need to respond unilaterally, merely because they took a unilateral action that was not taken because we had demanded it, and it was not taken as a result of a negotiation. They did it because they felt they needed to start putting resources elsewhere or they wish to show a less threatening posture to the world. For whatever reasons, they took it. Let us pocket it and let us take it into negotiations, but let us not feel pressure to take unilateral actions on our own.

We are in the driver's seat. Our policies are working. We have the initiative. He is the one who has to pull a rabbit out of a hat every day. And we ought to remember that we do have the initiative. Our policies are successful; his policies have failed. And the actions that he is taking are the result of failure, not the result of success. And never forget that.

Senator **Coats**. Is that a view generally shared by your colleagues?

General **Powell**. When I get the chance to talk to them individually, yes, sir. But I would yield to General Richards.

General **Richards**. Well, we talked about that earlier today, as a matter of fact. And we do share that view. The only thing we have now are promises and intentions to do certain things, to take down 10,000 tanks and 8,500 artillery pieces. Mr. Gorbachev has promised to unilaterally do those things, but we have not seen it happen yet. By offering to do that unilaterally, it allows him a lot of flexibility to take down the systems that he would like to in the way that he wants to. He has a lot of old systems, T-54 tanks for example, that he will probably take out first. That does not significantly decrease his offensive capability.

But we would like to see that as an initial step, which we then hope will lead to our proposals under CFE, namely, that we come down to parity in three systems—tanks, artillery, and armored troop carriers—at about 10 percent below current NATO levels. And we should do that though negotiations.

I would submit the INF Treaty as a model for us to follow. We hung tough as an alliance, we made the dual-track decision, which eventually led to the INF agreement to take P-II and GLCM and the SS-20s out of Europe. We should follow that model. I think we should continue to negotiate in good faith and we ought to move toward parity. But until that happens, until we see significant withdrawals on the Soviet part, we should not unilaterally do anything. We should continue to stay strong and maintain our commitments to the alliance.

General **Powell**. May I add a comment? I think we will see—and we should not have our head in the sand. I do not share the view of some folks who say this is all a big smoke screen and one day some

Stalin is going to jump up and kick us in the teeth. What we see happening in the Soviet Union is fundamental, and it is leading to fundamental change and fundamental conflict because it is in the context of a system, an ideology that needs to be changed, more so than economies that need to be changed.

Chairman **Nunn**. Thank you, Senator Coats. Senator Glenn.

Senator **Glenn**. Thank you, Mr. Chairman. I do not want to be the skunk at the garden party this morning, but at the risk of having that tossed back at me here, let me give some of my views as I see our situation and then ask for your responses. So, I will take the first few minutes to do that.

Number one, our deployment in Europe: I favor forward deployment, but not tactical forward deployment up along the lines. Every war game we get into in Europe, this thing is done for nothing but German internal political opinion. Where we have to deploy right up along the border is absolutely the most ridiculous thing against strong Soviet armor that I can think of. And every war game that we get into, as you people know, lets the armor break through, then we try and contain it in some way. And then in actual warfare what would happen, they would be heading for the Normandy beaches, probably, and very few people in there to stop them. So, number one, I think we are maldeployed, and David Abshire has made a big point out of this that followed on some of the things I have been talking about for the last 3 years. So, that is number one.

Number two—and we forward deploy for German internal political reasons only. Everybody says that. Otherwise against armor you would deploy in depth, not everything forward up along the lines.

Number three, our total force concept since 1973 has failed us in many respects, and we just somehow refuse to look back at it again. This division of labor between the Reserves and the Guard and the Regulars is not working, and let me give you some of the reasons why. We are dependent on the Regulars to hold the lines over there and to do everything that has to happen for the first 2 to 3 weeks in any combat scenario that we ever war-game, and they are dependent on the Reserves getting there. And what is the status of the Reserves?

General Powell, you are going to be getting into this in your command, that is for sure, and I am sure you already have some of these figures.

We assigned the Guard and Reserves major combat support and combat service support roles without which there will not be sustained combat in Europe. We assigned these roles to the Reserves including medical reservists, and right now 45 percent of those Reserves are not ready. They are not combat ready and have not been for the 3 years that I have been talking about this. And then we all talk about, yes, we are making improvements, yes, we are doing some new studies, but they are not combat ready.

And I absolutely agree with your statement about the individual soldiers being superb. They are dedicated, they are good, but what on earth is breaking down, then, in the direction of qualification? We do not even have the required qualified MOSs of all these great individual people, and that is a management and command function, as I see it. And if we are not providing the qualified people for the combat support and combat service support units, we are not supporting combat. You have to keep thinking combat out there.

In the total force concept, 80 percent of the medical tasks is in the Reserves, and yet those Reserves right now are 71 percent short of doctors; that is 7,000 doctors short. Nurses, 66 percent short; that is 31,000 nurses. I am not giving away any internal secrets. In a war game—when you get to that point, you say where is the medical coming from and all that.

We say well, at this point because of some of our shortages, we are going to rely on host nation support. That is the magic term we use when we cannot perform combat and combat support for it. We say we are going to rely on host nation support. Well, host nations are going to have their own set of problems at that time, and they are not going to be able to necessarily come and help the Americans that are over there. I can guarantee you that. So, I have been very concerned about this for a long time. I have been calling for a reassessment of our whole total force policy for some time.

Air Force Reserves and the Air Guard are excellent. There are a lot of Vietnam veterans, people in those units that can do the job and do it well. But I just think that overall we are not in good shape. And while the individual soldiers are superb, their qualifications and their ability to fit into units and give combat support, combat service support, and the medical support that we can rely on in combat beyond 2 to 3 weeks, is just not there. It is not there. So, I just am very concerned about this whole thing.

I know it is very popular to come and say yes, we are working on these things. And I read in here at page 13 of General Richards' statement where he says, "We are improving wartime medical care capability." I have not seen it. If you are doing it, I do not know where it is. But that is in the statement here. I just do not like statements like that. You made a very good statement overall. But I think in some of these areas we are deployed wrong in Europe—and everybody that looks at it closely says it is basically because of German political reasons that we do not have a better deployment in Europe.

So, I would appreciate any comments you want to make. That is more a statement than a question, obviously, but these are things I am very concerned about, and these are not new things.

General Cassidy, you mentioned the pilot shortages. You have C-141 pilots getting out by the hundreds or whatever number, $400 million worth of training down the tube. Senator McCain and I have introduced legislation along this line that we hope the Air Force will support.

OMB has a leash on people now as to what they can say and cannot say over here, but the individual opinions expressed the other day on this, the individual opinions in the hearing that I held, were very supportive of this, very supportive even though OMB has cut great parts out of their prepared testimony they sent over for review.

Unless we do something like this on pilots—the question is do you want to pay them now or do you want to pay a much larger bill to retrain them at $5–$6 million a copy later on just to address what you had in your statement, too.

So, that also is more a statement than a question, obviously, but I am concerned about this, and we do not seem to be willing to reassess the total force concept, and we are in lousy shape, gentlemen. We really are. We are in very, very poor shape if we went to war today. We are not in good shape. Any comments from anybody?

General **Cassidy**. Can I come in on your pilot legislation, sir? I have supported for 4 or 5 years the kinds of legislation that you and Senator McCain have entered. I think something is needed to give a clear indication on the aviation career incentive pay, that we do support those people who choose a military career in aviation, and we support them for the long haul. We can sell that to our people, so I fully support it, Senator.

General **Richards**. Let me respond to the medical readiness that you are concerned about. We are concerned about it, too, but we have made progress. Progress is relative. We had a serious problem. It is less serious now, and host nation support does play an important part. The Germans alone have pledged 93,000 forces. Those forces are in-being now. They are in units. We have trains, ambulance squadrons, and companies set up that would assist us. We have made significant contributions in the form of deployable medical hospitals. We have those in-theater. They are coming in, more and more each day. We have made arrangements with our allies for hospital beds and for hospitals and for medical personnel to help us.

So, although we still have a long way to go in that area, in the last 2 years we have made significant progress. That is not to say that it isn't a problem. It is a major problem that we would have to contend with if we went to war today. But we are making progress. It is high on our priority lists. My surgeon general at EUCOM, U.S.-European Command, is very involved in working that each day with our Alliance. And so we are optimistic. At the same time we recognize that it is a problem and that we have to continue to keep pressure on.

General **Powell**. Medical support certainly is a problem, Senator Glenn. And when I was a corps commander in Europe a couple of years ago, it was my long pole in the tent, medical care for my injured. And now that I am on this end of the water, it wiil have a high priority.

I have already visited Fort Sam Houston and talked to our medical authorities there. I have talked to all of my CONUSA commanders about what we can do to fill up the medical units. We are putting in place deployable medical sets so that the doctors and nurses that we are bringing in and trying to fill up this hollow part.

Senator **Glenn**. In combat service support there were 45 percent noncombat ready, and beyond that point, we do not continue the war beyond the 2 to 3 week point.

General **Powell**. You are right, Senator. We have to do a lot more. The question is, as always, resources.

Senator **Glenn**. Resources are not the shortage of qualifications, MOS qualifications.

General **Powell**. It is management. You are quite right. And there is a rapid turnover, and people lose their qualifications as units change mission. We are trying to get a handle on that to get greater stability.

Senator **Glenn**. My time is up, but if I could have 30 seconds more, Mr. Chairman. Thank you. Obviously I used all my time on my own statement, but I think we will want to follow up and have some future conversations on this, maybe visiting you and talking about some of these things and what you are doing in these areas would be helpful.

It gets very discouraging around here. You talk about these things and, yes, everybody agrees on these things and nothing happens, and I have been talking about this for at least 3 years now, and I just see these as very major things.

You start from the combat end. What elements are you going to need in combat. Well, if you have certain requirements—and we are not meeting them—there will not be combat sustained, period. And that is where we are. So, I do not think we are in good shape at all. I think we are in poor shape right now.

Chairman **Nunn**. General Powell, if I could throw out a suggestion for you to take a look at. I think there are a lot of doctors out there that are over the age of 50 and under the age of 70 that would be glad to go into the Reserves if offered the right opportunity. The whole medical practice is changing now. A lot of doctors are retiring earlier either because they have done well or because they are frustrated with the paperwork or many other reasons. And there are a lot of them who would like Guard or Reserve duty if they had the necessary enticements and waivers. It is not a matter of pay. It is a matter of giving them something really to do and participate. You could then shift your full-time active duty doctors more and more to the forward areas.

I just think there is a whole pool of doctors out there. Many of them cannot get in because of various requirements. So I think we are going to have to change our view of what age group of doctors we are shooting for here. Those that have already made it may be a lot easier to attract than those who have gotten out of medical school and have huge debts to pay back and are aspiring to do well for a while.

General **Powell**. We are doing that, Senator, looking at some creative things such as bringing them in the Reserves. But do not put the same kind of demand on them for monthly meetings and the like. They are already proficient. We do not really need to make them more proficient. Their proficiency is gained in their civilian occupations. We are looking at some creative ways to fix our medical problem.

Chairman **Nunn**. You are taking a look at that then?

General **Powell**. Yes, sir.

Chairman **Nunn**. Senator Levin.

Senator **Levin**. Thank you, Mr. Chairman. First, General Richards, I would like to ask you again about those announced cuts of Gorbachev. Would you agree that those cuts are militarily significant if, in fact, they are carried out?

General **Richards**. Yes, I would. I think I would say they are significant. They certainly do not redress the imbalance that we have, but it is a significant start in the right direction. And I think the fact that he is willing to do that is significant if he follows through.

And I agree with what General Powell said, I think he will follow through. I think that is his intent, and I think he will follow through.

Senator **Levin**. General Powell, we are faced now with a number of items. We have Gorbachev's announced cuts, unilateral cuts in Europe, and we have his conventional arms proposal which calls for deeper cuts than our conventional arms proposal. If you put those two things together, you have some steps which have some real political clout in Western Europe. So, there are some initiatives that he has taken there, and the general perception is—and I happen to share it as a general matter—that we have not reacted yet adequately to the Gorbachev initiatives, and that has hurt us politically in Europe. We have to find some ways to creatively respond to those initiatives.

One of the things we are contemplating doing apparently is to back away from the START framework agreement. We have read reports recently that there is serious consideration being given to backing away from what has tentatively been resolved, at least getting a significant way toward a START agreement. Can you give us your personal reaction to those reports as to whether or not you think in response to the Gorbachev initiatives that would be particularly harmful or not?

General **Powell**. I do not know how accurate those reports are, Senator Levin. I am not close to it at the moment, as you know. But all I believe is going on is that the new administration is correctly taking a look at the positions left to it by the outgoing administration and trying to satisfy themselves with the elements of our tabled treaty proposal.

Senator **Levin**. Were we to be perceived as backing away from that framework, it would have been agreed upon, would that have damaged us politically, do you think? What is your personal view?

General **Powell**. My personal view is that you should do it with great caution because, if you start to modify the tabled START position, you can expect the Soviets to open up issues that they would like to see changed as well, and it would slow down the whole process.

But if, based on a review by the President and his advisors he comes upon elements of that position that he does not believe to be in the best interests of the Nation, then I think he should go forward and ask for those positions to be modified. I would not necessarily call that backing away as I would reflecting the judgment of the President, but it would certainly slow the process down.

Senator **Levin**. I think, General Richards, you indicate that you felt we should put greater emphasis on conventional arms control agreement than a START agreement. Did you intend that answer to link the two agreements?

General **Richards**. No, I did not. That reflects my bias, I think, being in Europe, looking at that massive force which confronts us, which is essentially conventional.

Senator **Levin**. Would you agree that if we could reach a START agreement which is in our interest prior to reaching a conventional arms control agreement, which is in our interest, that we should proceed to ratify such a START agreement?

General **Richards**. Absolutely, if we can get an agreement.

Senator LEVIN. General, you indicated in your written statement that our European allies will work out a new accommodation with the Soviets. If there is a unilateral U.S. withdrawal of force—is democracy so weak in Europe that our allies would choose not to defend themselves if U.S. military presence changed even one bit?

General RICHARDS. No, I would not say that. I think the resolve is still strong, and I think they have ample forces to put up a good battle, even without our assistance, and I believe they would do that by a combination. We might see arrangements, however, between the Soviets and our Western allies. That would not be in the best interests of the United States.

Senator LEVIN. Would they be in the best interests of our allies?

General RICHARDS. I think in their view it would be in their best interests. We see commercial loans now, about $1.5 billion have been offered up in the form of credits to the Soviets. I am not too sure that that is in our best interests, but we see it happening.

Senator LEVIN. Is that something which we have opposed?

General RICHARDS. Not to my knowledge.

Senator LEVIN. Is that something which you think threatens us?

General RICHARDS. Only if it is a precursor to ties getting much, much closer.

Senator LEVIN. Would more normalized trade between us and the Soviets be a threatening element militarily to us?

General RICHARDS. I do not believe so.

Senator LEVIN. So then the new accommodation which you made reference to might be additional trade between the Soviets and the Europeans?

General RICHARDS. That certainly could happen.

Senator LEVIN. Is there anything else you were referring to in that new accommodation which you made reference to other than closer economic ties between Europe and the Soviets?

General RICHARDS. No.

Senator LEVIN. My time is up. Thank you.

Chairman NUNN. Senator Dixon.

Senator DIXON. Mr. Chairman, I have some questions, but I think I will just submit the questions to the General, if that is satisfactory.

Chairman NUNN. Of course.

Senator DIXON. I am delighted to see them here this morning.

Chairman NUNN. I have a few more questions. We have some confusion on the floor about when we are going to vote. If they are not confused, they have confused us. I am getting two reports. One is at 10:45 and now they are saying one at 11:45. We wanted to start at 10:30 with an executive session for the purpose of briefing the committee on the status of the Atwood nomination after which we would hope we could vote, depending on whether there are questions the committee has.

Senator DIXON. Mr. Chairman, I just heard Senator Riegle say on the floor we would vote at 10:45. Has that been changed? That is what he said just 4 or 5 minutes ago.

Chairman NUNN. Well, if that is the case, what I suggest we do is go vote and come back here at about 11 o'clock and have an executive session on the Atwood nomination. If we get a quorum, we will vote on it at 11:15, unless there are objections. I will give our witnesses a 30-minute break, and we will come back at 11:15. I understand there may be another vote around 11:45, so we will have approximately 30 minutes, and then that will conclude the hearing this morning.

We cannot vote now. I can start the briefing now and see what happens on the floor, but if there is a definite announcement at 10:45, it is hardly worth starting. I say we just come back at 11 o'clock.

Senator LEVIN. Mr. Chairman, any chance you could give us the briefing now and then we could vote off the floor?

Chairman NUNN. We will have to clear the room. The vote will start—I do not know if I can get your undivided attention in all that confusion, based on experience.

Senator LEVIN. I'm taking the Fifth Amendment on that one, I can tell you.

Chairman NUNN. Let us come back at 11 o'clock. We will see our witnesses at 11:15.

[Whereupon, at 11:43 a.m., the committee recessed and reconvened at 11:18 a.m.]

## HEARING RESUMED

Chairman NUNN. General, we appreciate your patience in bearing with us this morning and we welcome you back. Neither Senator Wilson nor Senator Lott has asked questions. Senator Warner, you have not had your turn so I will start by recognizing you.

Senator WARNER. Thank you, Mr. Chairman. I will defer to Mr. Wilson. I appreciate the Chair's reference to the problems we have had this morning. I have an amendment on the floor that has required my presence there several times today.

Chairman NUNN. Senator Wilson.

Senator WILSON. Thank you, Mr. Chairman. I apologize for having been detained in the Finance Committee and for that reason I do not want to cover ground that has already been covered, but reading your statement, General Powell, you have indicated that the requirement for providing a strategic reserve of trained combat to overseas combatant CINCs while securing the strategic rear is part of your responsibility. This gives rise to the question of what impact on that mission the kind of budget constraints we are looking at will have. These reductions seem now almost inevitable.

I had a briefing the other day with respect to one of the subcommittees having to do with procurement and it was a case of 10 pounds and a 2-pound bag. To come to the point, it would appear that force reductions, as has been the case for the past several years, offer the most promising ways to achieve outlay reductions of a kind that we are going to have in contemplating on a budget agreement that will not even meet zero real growth. What kind of discussions have you had in terms of the impact on your mission with regard to various force level reductions?

General POWELL. We talked about this at considerable length earlier, Senator Wilson, so if I may, I will summarize, and I think I can answer your question. I think the views I will express are what my colleagues expressed earlier as well and that is that with the budget environment that we are now in and are likely to be in for several years to come, something has got to give. You cannot keep chipping away at readiness. You cannot keep stretching out procurement. You must invest in the future with R&D funds and when you look at all that, what probably is next to give, all of us believe that we have probably gone as far as we can with readiness cuts, training cuts, base operating support cuts and you are probably going to have to start looking in the direction of force structure.

We cannot keep having negative real growth year after year and maintain the force structure as it is. None of us are advocating force structure reductions. We would rather see the force structure remain as it is, or perhaps even grow, but that is not in the cards and so our judgment is that we are rapidly reaching the limit where savings are not possible without taking some rather significant reductions in force structure. This is something we have discussed in our DRB meetings and something I think we have each discussed within our own service channels, so I will turn to General Richards.

General RICHARDS. Well, I totally agree. I think he speaks for all three of us. Force structure cuts appear to be the only way to go.

Senator WILSON. General Cassidy, you have made a statement that is certainly clear enough. You said the C-17 is not simply the best solution to meet the present and future airlift requirements of the war-fighting CINCs, it is the only solution. I have been a believer for a long time myself and you further state, when needed it will deliver these units directly to the forward battle area ready for combat. It will swing from its main strategic role to a theater airlift role to employ and resupply theater forces. In addition to the projected manpower savings that have been argued in favor of the C-17, do you see it as obviating the necessity for other aircraft because of the duality of its capability, both strategic resupply and reinforcement as well as theater airlift?

General CASSIDY. Yes. The simple answer to that is yes, I do, Senator Wilson, although obviously I think we need to consider, to continue to look at and try to quantify the theater airlift role and see how we are going to solve that. As you will recall, in the early 1980s we were so astounded at the lack of strategic lift that we decided collectively to focus and try to solve the strategic lift problem, since it was the most acute and the most critical and then try to solve that problem with a solution that would have some spinoffs for theater airlift as well. So we have structured the whole solution to do just that and the C-17 will do just that.

We look at it as not just a replacement airplane for a strategic or a theater airlifter, but a modernization airplane that will contribute to both of those missions. At the same time we cannot ignore both of those missions with their own unique set of requirements and we should continue to advance technology and be ready to exploit technology for theater airlift when it comes along, but we have made a commitment—a funding commitment—to the C-17 for the 1990s and that will be the solution to both of those problems for the foreseeable future.

Senator WILSON. My time has expired. I will just make this statement and you can respond later. There is a certain irony, it seems to me, in this requirement, this atmosphere for fiscal constraint as we are looking at force reductions in order not to lose time and stretch out procurement and add to per unit costs, we are also compelled to look at some O&M reductions. I assume that there is a point past which, as you are adding to your arsenal of weapons, there is a minimum amount of O&M past which you cannot reduce without actually doing some violence to your inventory.

General Cassidy. I think that is clearly so, sir, and I think we have a very good benchmark for that in 1988. Our O&M budget was awful in 1988 and I think you recall that. It was one of those years where we got the budget late and it was very difficult to deal with because the cuts almost became double cuts as we started to deal with them late in the year and so I think we have a good benchmark to measure from, to show that there is a certain level of O&M funding that is just absolutely essential to keeping the force ready—that is the people, principally—and to keeping the level of spares in the inventory that will permit us to respond when the time comes to respond.

What we tend to do as we get into the budget environments we are in now is start eating into the war readiness spares with our day to day business. That, of course, then limits your sustainability, your ability to sustain. Those are the things that worry us and those are the things that we need to be able to articulate well to you, when we do reach that point. I think we know those answers very well.

Senator Wilson. Mr. Chairman, I wonder if I might ask one more question? General Cassidy, with respect to airlift, when we are speaking of O&M, how much is O and how much is M? It seems to me, although it is a highly undesirable way to have to do business, that if we are really pinched you can afford to a limited extent, at least, to cut back somewhat on the operating side, but you really cannot afford to cut back on maintenance. How does it break?

General Cassidy. That is a good question and it is a complicated issue with airlift, because airlift is industrially-funded for the most part for its O&M budget. Of all of the systems that we operate in peacetime, the airlift since it is industrially-funded, sells its service. For instance, we are now moving an awful lot of oil-skimming equipment and communications gear to Alaska and we will send the bill for that to Exxon, yet we will get training—wartime readiness training—from that.

The flying hour program drives the maintenance and drives the operations, et cetera. Of all of that flying hour program, only about 30 to 35 percent of it is funded by pure O&M appropriated moneys. The rest of it is funded out of an industrial fund which is then borne by all of the users of this service—and that is anyone from the State Department to the services and in this case, a commercial company.

So there are any number of ways that it is funded. We are rather proud of our ability to maintain an operational level which is indeed wartime training and do that in an industrially-funded mode which is not direct O&M. So our O&M discretionary income, if you would, is quite a bit smaller in percentage than others.

I think I have danced around your question some, but what I am trying to say to you is that I do not believe that you can afford to reduce the operations end of it. Nor do I think you need to, because in peacetime our training is producing a by-product of transportation which our country needs. There is a very good balance there for what we get for our money that is totally different than some of my forces that I have that do nothing but train for wartime. For instance, the Special Operations forces of mine. They have no by-product. Every flying hour they fly, every movement they make, is designed to only train for a wartime requirement or a special operation of some kind. On the other hand, almost everything I do in the pure airlift role produces something for somebody and we sell that to them and that underwrites the cost of training.

Senator WILSON. Thank you very much.

Senator WARNER [presiding]. Senator Lott.

Senator LOTT. Thank you, Mr. Chairman. I am sorry that I missed hearing the presentation of the statements of these three outstanding gentlemen, but I have had a chance to look over some of your statements. General Cassidy, we are pleased to have you here, and General Richards, it is good to see you again and although you have picked up a couple of extra stars since I saw you last and you may think you have a good assignment now, I will remind you the best assignment you have ever had was at Keesler Air Force Base in Biloxi, Mississippi—and do not ever forget it.

General RICHARDS. I would not disagree with that.

Senator LOTT. Unfortunately, you did not stay there very long. You passed through and moved on to greater heights. But it is good to see you again. I also want to congratulate and welcome our friend General Powell. You have been in your new assignment just 2 or 3 weeks now, and we are all very proud of you in this new command and we know you are going to do an outstanding job in the position.

General POWELL. Thank you, Senator.

Senator LOTT. I look forward to reading your statement in its entirety and working with you in the future. Several of the questions I had in mind have already been asked by Senators Cohen, McCain, or others with regard to the shape of our maritime industry. It is an area where I have a lot of interest, and questions about how we are stretched thin and what kind of plans we might be making to deal with that.

General Richards, in your statement you say that nuclear modernization is a critical component of our military capability in NATO. You also say that evidence of unity and resolve to execute our strategy is essential to deterrence. However, there appears to be a growing resistance in NATO to plans to modernize the Lance short-range nuclear-capable system. Does this indicate a weakening of the historic resolve we have had and what are the ramifications of that?

General RICHARDS. We have had a historical resolve, it comes in the form of our nuclear weapons requirement study each year. We validated a requirement for modernization of short-range nuclear weapons. The Germans have a unique political problem with that right now and of course I cannot forecast which way it will go. As recently as yesterday we see the British coming out in strong support of modernization. We stand behind that. We think it is the way to go. Unless we modernize we are going to lose the Lance, which is viewed by our theater war-fighting components as very, very important to us.

Unless we modernize the Lance we are going to make a unilateral cut in NATO capability. For that reason we are strongly behind the modernization and I think we should move ahead at least with the funding required to do the R&D. We do not have that weapons system in hand yet, but we are on the track of having it. We ought to continue to put the small amounts in the budget that will be required to create that system, while at the same time we work with the Germans and with our other allies on a deployment scheme. I think they will come around. I think the Alliance will come around.

Senator **Lott**. Thank you, Mr. Chairman.

Senator **Warner**. Gentlemen, we had the benefit of the testimony of General Goodpaster the other day. I presume, General Richards, you are familiar with that testimony?

General **Richards**. Yes I am, Senator I have not read the entire thing but I am familiar with what he had to say.

Senator **Warner**. My understanding is that that question had not been directed to you this morning, General—your comment on that. Is that correct?

General **Richards**. That is correct.

Senator **Warner**. Would you at this time give us the benefit of your views with respect to that testimony?

General **Richards**. I think the position of General Goodpaster, who is very much respected by all of us in Europe, is not out of line with the thinking of some other military thinkers.

Senator **Warner**. I think it is important to say, is that active or retired military thinkers?

General **Richards**. Both active and retired. I think we have to start with the assumptions that General Goodpaster made and they are very important. The assumptions are that the Soviets are going to continue on the road that they are on today and that we are going to see significant reductions in conventional and nuclear weapons systems and we are going to see that both through unilateral cuts by the Soviets and negotiated cuts.

So the recommendations for the withdrawal of forces, American forces, from NATO are based on those assumptions and I do not think, as I understand his recommendations, that any of them are based on us doing something now without verification and without a treaty. I think we have to first get by those assumptions and then we can perhaps look at some of the things that he is recommending.

Senator **Warner**. In summary, do you agree with his assumptions and also with the timing of his views that we should not consider reduction until such time as the assumptions have taken place or have not taken place?

General **Richards**. I totally agree with that.

Senator **Warner**. Now, the 401st tactical fighter wing—did you give us an update on that situation?

General **Richards**. Well, we are still in the process of negotiating the land. The Italians, of course, are doing that. We have made significant progress on the plan—the architectural plan for the basing at Crotone, so the program is on tract.

Senator WARNER. And it remains an essential part of the NATO strategy?

General RICHARDS. It certainly does. If you look at the southern region, the 401st is really the only air capability we have, other than that afloat in the Mediterranean. We deploy from Torrejon, as you know now, to forward locations. So to lose the 401st would be a significant blow to the southern region of NATO, where we already have our greatest weaknesses.

Senator WARNER. Are there any contingencies to this plan going forward?

General RICHARDS. No, there are no contingencies.

Senator WARNER. In terms of political or otherwise. In other words, it is a go?

General RICHARDS. It is a go, at this point.

Senator WARNER. Let us turn to Greece. Greece has been a very valued, and continues to be a very valued, ally in NATO. Indeed, in my opinion it is essential that we maintain the bases that we have there. Could you bring us up to date on that situation?

General RICHARDS. As you know, that is a very difficult negotiation. Ambassador Flanagan is involved and we stay in touch with him day to day, providing him with our military requirements for bases in Greece. I cannot forecast the direction it is going to take. It is very difficult. We are having a hard time in Greece. We are having a hard time maintaining installations that we have.

Senator WARNER. You mean, just maintaining them in terms of O&M expenditures?

General RICHARDS. Absolutely. The Greeks have stopped almost all of our construction while the negotiation takes place.

Senator WARNER. Is this jeopardizing the safety of our men and women in uniform?

General RICHARDS. Not the safety, but it certainly inconveniences them and it is making it very difficult for us to keep our people there.

Senator WARNER. What about the military effectiveness of our people there?

General RICHARDS. They are effective. We are carrying out the mission and it has not had any adverse effect on our mission capability.

Senator WARNER. The effectiveness of their mission is being adversely affected?

General RICHARDS. No, it is not.

Senator WARNER. Then, would you walk me through?

General RICHARDS. It is more inconvenience in terms of quality of life for our people.

Senator WARNER. So there is no derogation of safety or military effectiveness?

General RICHARDS. Not at this point.

Senator WARNER. How long do you think it will take to resolve this?

General RICHARDS. We are hoping for the June–July timeframe.

Senator WARNER. Well, I certainly hope it can be resolved, because as I say Greece has been a very valuable ally throughout the years and I hope this is just a transitory political problem that we have.

General **Richards**. We do, too.

Senator **Warner**. General Cassidy, you spoke to the necessity to maintain strong naval forces to provide the necessary security for your sealift operations in the future. Is that correct?

General **Cassidy**. That is absolutely correct.

Senator **Warner**. If the consequences of the curtailment in our budget result in some future troop withdrawals, the ability for rapid redeployment becomes a higher priority, does it not?

General **Cassidy**. That is correct. It just simply makes our problem larger, Senator. I think that any troop movement, any deployments that are changed now will make it even more important that we can react very quickly and sustain the forces that we react with and I would offer that that would not be just in a full mobilized, but a nonmobilized contingency as well as a full mobilized contingency, something akin to the Persian Gulf.

Senator **Warner**. General Powell, if we are forced into a situation where we have to reduce forces abroad, presumably they would be brought back and integrated into the units here in the United States. Does that pose any problem?

General **Powell**. The usual stationing problems as to where you would put such forces. You save no money by bringing them back if they are kept on active duty, and I think the choices the administration would face at that point are whether you put them in the Reserves, where there is some savings but not 100 percent savings—perhaps 40 percent savings—or whether you take them out of the structure because a judgment is made that we can reduce our structure without additional threat.

But if the decision were made merely to bring them back to the United States but keep them in the active inventory, a lot would depend on the nature of the forces. Within FORSCOM we could probably absorb quite a number of forces coming back, let us say from Europe, without a great deal of difficulty. I think the Air Force could probably do that as well. But then there are no savings, so if you do it for political and strategic reasons, that is fine, but if you are thinking that there are savings associated with that, not necessarily so.

Senator **Warner**. Assuming the political and budgetary judgments were to require a substantial redeployment back to CONUS, would this then impact on your work with the Chief of Staff of the Army primarily in reconfiguring the type of units that we would have here in CONUS? In other words, emphasis on light divisions versus heavy? How would that mix shape up, if we had to bring 30,000 or 40,000 troops back from Korea? Say, a mix of Korea and NATO.

General **Powell**. Well, if it were mixed Korea and NATO and there had been no change in our basic strategy, then I think you would probably have to keep the heavy forces brought back from Europe in a heavy configuration. You would have to make judgments about whether you are going to try to POMCUS them or continue to encourage efforts to help General Cassidy provide the wherewithal to take them back in time of emergency.

But I think I would be with General Vuono, the Chief of Staff of the Army, in trying to maintain a balanced force of very heavy divisions; of rapidly deployable divisions with some staying power, such as the 101st and the 82nd and even the lighter infantry divisions that have been created in recent years. So you have to have a balanced force posture when it is all over.

Senator WARNER. Gentlemen, that concludes my questions. Mr. Wilson.

Senator WILSON [presiding]. General Cassidy, your comments on sealift respond to a question that I had intended to ask, but I must say that while it is not a surprise, you have expressed yourself with great force and clarity and the answers I think are disturbing. You state on page 20, "I view the current state of U.S. maritime industry as a national tragedy," and that in regarding numerous sealift studies you find "they all agree with the current and potential severity of the problem."

The consensus invariably points to one conclusion: Our commercial maritime fleet and its supporting industrial base are disappearing. There can be no argument with that. God knows, the numbers are stunning in their clarity and the conclusion as it relates to your mission is that the increased risk to the Nation is apparent when viewed in a context of forward defense, and this comes back to the line of questioning that Senator Warner was pursuing, the global military strategy of the United States.

You note that in Korea and Vietnam sealift amounted to the mode for transportation of about 97 percent of all war materiel that was actually moved in those two conflicts. You quote Admiral Crowe as stating in any overseas deployment sealift will offer about 95 percent of all dry cargo and 99 percent of all petroleum products. That being the case, I guess the conclusion is obvious, and that is that we are in woeful shape to actually implement the strategy to which we are committed, that of forward defense. It is true we have some POMCUS sites in NATO, but I have to assume that those have long since been targeted by Warsaw Pact short-range missiles that are fully legal in the current state of arms control.

I will also confess that I have now, as fast as I can read, you have outpaced me. I have not finished your statement, but I see that really we simply lack the sealift capability to conduct the kind of operations that did permit us to sustain our forces in the Second World War and Korea and Vietnam. Confessing my ignorance, not having completed your statement, what are our plans? How do we supplement this woeful inadequacy?

General CASSIDY. Well, Senator, it is a phenomenon that has occurred in the last 8 or 10 years, and we started seeing it early in the 1980s, late 1970s, when we saw that other nations in this world made it a national policy of theirs to capture part of the trade of the world. The world was becoming an international economy and that trade, if they could capture it, would do things for their country, either to build up those countries in the Third World or make those major powers stronger.

And so we watched that happen with some response. The Navy had never really needed to spend any money on sealift in those prior years because they could always depend upon the maritime industry of our country and always had. The maritime industry has always been known as the fourth arm of defense and was healthy enough to be the fourth arm of defense.

In the early 1980s and late 1970s when we saw this occurring, the demise of the maritime fleet, the Navy spent some $7 billion to try what I refer to as the stopgap measure, which was to build a Ready Reserve force, to buy some eight fast sealift ships and do some things to stem the tide of the lack of capability which you have described. So we have done some things which are stopgap, stop-the-bleeding kinds of measures, and have never really gotten around to the final solution which we believe to be increasing the percentage of American trade which is carried in American flag bottoms. And that is the solution, sir, and I believe that is the only solution. Any other solution just throws good money after bad.

Senator **Lott**. Would you yield, please?

Senator **Wilson**. I can tell that the Senator from Mississippi is hungry to interject.

Senator **Lott**. Is that cargo preference? Is that what you were saying, that you are advocating that we have a cargo preference?

General **Cassidy**. I think that is only part of the solution, Senator Lott. That is certainly some of the solution. What I want to be able to do is put the American Merchant Marine industry in a competitive environment where they can capture more of the commercial cargo coming to and from American shores. Right now about 4 percent of our total trade is carried in U.S. bottoms and I want to see a policy of our country which says we are going to capture more of that trade. We are going to create an environment in which we can capture more of that trade.

Senator **Lott**. This might be the wisest Air Force general I have ever heard. I agree wholeheartedly, but the question is how. Do you have some suggestions as to how we do that?

General **Cassidy**. We do indeed, sir. The first thing we have to do is have a national sealift policy. Our country does not have one of those now. Now I have, of course, a way to make a comparison. We have had a national airlift policy since President Eisenhower signed it, and it has been a viable policy of our Government and we have used that to construct an air industry which is very, very healthy. On the other hand, we need a national sealift policy to define where we are going and what we need to do. We have written that national sealift policy. The Secretary of Defense has forwarded that to the National Security Council and we are attempting now to get that completed.

Following that national sealift policy, we need to build a coalition of a maritime industry. The industry has not been kind to itself, and some of us have not been kind to it either. There is plenty of blame to go around for the demise of the maritime industry. I think the entire industry sees that now and views it in a new light. I think the industry—and I have spent much time, many hours with the operators and the shipbuilders and the labor part of this industry, the unions—they are all ready to rally around the flag of national defense. They are patriotic, good people. And they will respond to a national sealift policy.

I think when we can provide you with a set of necessary corrections in the form of adjustments to policy, adjustments to legislation or new legislation, I think then and only then we will be on the road to recovery. And it is not going to be easy or quick. We have gotten into this situation over 20 years; I think it is going to take us several years to get out of this situation. But I am not willing to accept defeat, Senator Lott. I think we should heave to and get it done.

Senator LOTT. Great. I thank the Senator.

Senator WILSON. General, what you have said is clearly music to the ears of not only Senator Lott but to a great many other people as well, and I think your analysis is a very, very good one. I commend you for making the point that we have not adopted a sealift plan comparable to the airlift plan. Let me just ask the nasty question that inevitably is asked in every decision that we are required to make: In terms of the sealift plan that is now drafted and awaiting approval, what are the cost implications of that?

General CASSIDY. Well, I think that is where we and our national sealift policy took some umbrage or we just disagreed with the Commission on Maritime and Defense. They wanted to spend some $13 billion. Our belief is we should pay for the maritime industry's rebuilding from market share of other countries that now have taken the market share from us. The classic example, I guess, sir, is that 25 years ago the Chinese merchant marine consisted of 60 ships. Today the Chinese merchant marine consists of 600 ships. We went in that same period of time from the number one maritime country in the world to number 12, and we are sitting around 10 to 12 now, depending upon how you work the figures.

We have given up the market share and the market share for trade has risen exponentially. The line has gone up that way (indicating), and our capacity has been very flat; therefore, our market share has gone down, the percentage of the market has gone down. The solution to this problem is to create an atmosphere, a playing field, if you would, that is level enough that our Merchant Mariners, who are as good as anybody else's in the world, can go out there and compete and get the market share.

At this moment we have in the MARAD budget about $230 million of subsidy—that is, operational, differential subsidy which in effect recognizes the higher costs of labor in our country. And I think that is a very good recognition. We do not want to feed our sailors three rice bowls a day and tell them to sail for 12 months of the year. We should not do that. So there is some operational differential subsidy. But it is viewed by many to be exorbitant and I am not so sure that $230 million a year for what we get from that is exorbitant. Our plan would increase that sum for a period of time, but if the entire plan was adopted we would eventually get out of the subsidy business completely and get into the incentive business—in other words, incentivize the industry.

That is what we have done with the airline industry. We have never subsidized the airline industry in our country. We have used incentives for it, but we have not subsidized it. So once again we built an incentive plan that is several years long that continues the level of subsidy we currently have, maybe increase that some small amount so we can make sure that we keep flags that are U.S. flagships in the U.S. registry and not permit any more ships to leave that and then eventually have sort of a sundown clause on subsidies when we have created an atmosphere in which our ships can compete. And some of that would be preferential trade. There is no reason we should not have an agreement with countries that trade in this country, that trade here, that requires part of that which they sell in this country to be transported on U.S. bottoms. There is no reason that should not be done.

Senator **Wilson**. Let me just ask two final questions. Do you have additional questions, Trent?

Senator **Lott**. I have a couple.

Senator **Wilson**. Where again is the sealift plan?

General **Cassidy**. The sealift policy statement was signed out by Mr. Carlucci to the National Security Council and is in the National Security Council now. At the same time we put it there, we took it to industry through the National Defense Transportation Association. Industry and labor both sat in judgment on that policy and agree with the policy, with a couple of minor exceptions which frankly only make it stronger.

So for the first time we have a policy residing in the White House and we have a policy that the industry subscribes to. Since we have a new Secretary of Defense now, we have asked him to reaffirm that policy, and he has just not had the chance to do it. He has neither been in the chair long enough nor have we had a chance to discuss that with him, although I discussed it some in the DRB week before last. So we have, we believe, the statement in the right place. And it is the first time we have had that in that place.

Embodied in that is a group within the Government that comes from all agencies—State, Commerce, Transportation, Defense—all of us working together to get a policy going, because it will take all of those factions of the Government and several committees within Congress, and that has, I think, been one of the problems. Lots of people and lots of agencies have had an effect on the maritime industry and we have never had a coalition to try to do something about it. And that is the intent of the policy, to form that coalition.

Senator **Wilson**. Would the sealift policy continue to require that U.S.-flag vessels be built in the United States?

General **Cassidy**. The policy looks at all aspects of the industry now, and generally we say the policies that we have had so far have not worked. We have to look at each of them individually. They have not worked. We glibly say the industry is on its can, so something has not worked. So we think we need to look at all aspects of the industry. And if we need to buy some foreign ships for a while, let us make a decision to do that. We have done that in the past and maybe we need to do some of that.

There are no U.S. ships being built at this time anyhow, so if you wanted to buy one, a U.S.-built ship, it would take you a long time to do it because we would have to reconstruct some of the shipyards that have now gone under, that just do not exist. So we need to investigate.

I think we need to look, and the industry is willing to look, at a no-holds-barred way we have done business in the past and reconstruct it, with the final goal of U.S. flagships being built in the United States, and being manned by U.S. seamen. And that is the problem.

Senator WILSON. Thank you, Mr. Chairman. Thank you, General Cassidy.

Chairman NUNN [presiding]. Thank you, Senator Wilson. Senator Lott.

Senator LOTT. Let me say again, General Cassidy, I find your testimony and your statements very enlightening and encouraging. I would be very interested to know the administration's reaction to some of the things that you are suggesting in that policy. I am looking forward to having an opportunity to review it and to hear from you before other committees, because we have something in mind for you over in the Commerce and Transportation Subcommittee on Merchant Marine. I look forward to working with you on that. It sounds good.

General Powell, I noticed when I was going over your testimony you talked about your support in civil efforts in peacetime, such as cleanup operations following Hurricane Gilbert, firefighting assistance in Montana and Yellowstone National Park last summer, and even the current Forces Command soldiers presently assisting in combating the oil spill in Alaska. I personally think this is all very good.

I think the general public would feel better toward the military if you were used more and more aggressively and with less resistance in national emergencies. I view that as one of the very imporant roles of the military. You give the general public the argument that you are just supposed to be prepared to fight, and when you do not help us when there is a national emergency, it does not go over very well at all. Now maybe the attitude has changed, but I know earlier in this decade after Hurricane Elana came along the Mississippi gulf coast we had a very active desire by airmen at Keesler Air Force Base to participate, Seebees at Gulfport to participate, but great resistance by the Pentagon.

We embarked on an argument that went on for days, weeks, and actually months over who pays. The Army was quibbling with FEMA over "oh, yes, we would like to have these airmen come, but you have to pay every little cost and we cannot in any way get in the private sector's hair." And with my philosophy, I agree with that. But when you are in the immediate aftermath of a major natural disaster you need help. Your roads are clogged. Your sewer systems do not work. It is a mess. And so I would like to encourage you to make sure that we are a fighting force not only for wartime but also when there is a natural disaster. Have you any comment about the attitude of your command and the overall attitude at the Pentagon on this type of situation?

General POWELL. Within my command and my personal attitude is one very much like what you suggest, Senator. The United States Armed Forces helped build this Nation during a good part of its history, as opposed to fighting its foreign wars, and preserving domestic peace is also one of our missions. It also turns out that many of these activities are good training—the organizational requirements—and troops love to do it. I think anything we can do to show the American Armed Forces at work helping people is to our ultimate interest as the people reflect on what the American Armed Forces ought to have.

At the same time, we always have those two hurdles. One, are we doing it legally and properly and not competing with civil resources that might be available? And two, regrettably, someone does have to pay, and we can often get into some of the most tortuous arguments. General Cassidy was talking about the stock fund earlier. When I want to go racing in somewhere, I have to pay General Cassidy and that is the way the law is structured.

Senator LOTT. But those matters should be resolved before the disaster. You should have that resolved right now. If a disaster hits Georgia you will know what your role will be and what your military personnel's role will be in the immediate aftermath and 2 weeks after the disaster, and you ought to have it worked out as to how the pay is handled. People do not give a damn which pocket it comes out of. They are paying everybody. And so you need to work now at the Pentagon and all the branches to make sure that there is a pre-arranged, clear understanding as to how you are going to do it, at what point you are going to be involved, and who pays. Are you working on that?

General POWELL. Yes, sir. I think we do have the procedures in place. It is a matter, though, of receiving the proper emergency and disaster declarations. Not to quibble on the point, but we have to receive the proper authority and the proper delegation before we can do what we do so well, and we have demonstrated that we can do it and can do it well.

Senator LOTT. Do not quibble on it. When you have a national disaster, act like military people. Do it. Have the Seebee attitude, can do.

General CASSIDY. Could I just add one thing? We do an awful lot of things that are sometimes unknown. For instance, when the two whales were stuck up in Alaska, we sent a C-5 up there with an ice-crushing machine to get the whales out. So if we can do that, we can do lots of things, Senator Lott.

Senator LOTT. I will pass on that one. [Laughter.]

I have some familiarity with CAPSTONE. I think it is a great effort to integrate, to coordinate your Active and Reserve components. Are National Guard units also involved in that?

General POWELL. Yes, sir. We try to give a wartime mission to every unit in the Reserve components and then trace it back to the command that they will be supporting.

Senator LOTT. Have you had some difficulties in making this work? How is it coming?

General POWELL. It is coming very well. The Reserve components are delighted with the program. The problem we have is when the CAPSTONE mission changes too often and puts a lot of turbulence into the system. Then we run into difficulties keeping the training level up. Readiness falls. And if every year or two some fellow who is running a company in the U.S. Army Reserve Command in Arkansas discovers that every 2 years his mission changes and he has to go back to zero and start again, then that does not do what you wanted the program to do. So we are very sensitive to trying to keep some stability in the CAPSTONE trace program and we work with EUCOM very hard on that.

Senator LOTT. Thank you. Mr. Chairman, I apologize for going over my time.

Chairman NUNN. No problem. I think we have a vote up there. I am going to ask a few more questions and then wrap up the hearing. Do you want to ask another one?

Senator LOTT. No, thank you.

Chairman NUNN. General Powell, you took over the Forces Command that was formerly in part the Readiness Command. Readiness Command had jurisdiction, as I understand it, over some components of tactical air as well as Army, and you have only Army jurisdiction; is that right?

General POWELL. That is correct, Senator.

Chairman NUNN. Your Army role requires a detailed and constant kind of communication and coordination with tactical air.

General POWELL. That is correct, sir.

Chairman NUNN. Do you find it to be a disadvantage as compared to the Readiness Command to not have that jurisdiction over tactical air in terms of training and so forth?

General POWELL. Well, I have not found it yet, Senator. I cannot tell what the future will hold. I have good relations with the Joint Staff, with my colleagues at the Tactical Air Command, and for the time that I have been in place I have not run into any difficulties.

Chairman NUNN. What did your predecessor think? Did you talk to him about it?

General POWELL. My predecessor concurred in the judgment 2 years ago that FORSCOM should first start out as a specified command, and the last conversation he and I had on the subject is that one of the things I am leaving you is to continue studying to make a determination as to whether you should go suiting up FORSCOM eventually to be a unified command. And if you do that, you will have to face the issue of other service forces being under the control of the commander in chief, FORSCOM as a unified command. He did not leave me with a solid recommendation as to what outcome he thought such a study would produce, although he was inclined toward its suiting up, as he called it, to a unified command. And it is something I think we will have to address.

But, as you know, 2 years ago the judgment was made by the Chiefs and by the Secretary of Defense and the President to keep FORSCOM just as a specified command, wholly Army, no Air Force units, and the Air Force solved the new requirement of the legislation in a different way.

Chairman NUNN. Thank you, General Powell. General Cassidy, you said this morning the C–17 program is certainly one of your top priorities, and we hear that from not only your command but some of the users, too. They feel very strongly about it.

The budget appears each year to come over and stretch out the current year's buy of C–17s and beef up the outyear buy. We are showing 29 aircraft a year being bought, I believe, in the outyears. And yet we cannot seem to afford to put any money in the current years and we stretch the current and put it in the outyears. We have seen that happen over and over again on programs. What really ends up happening is you gear up your production lines, your tooling, your overhead, your management, to accommodate a number of aircraft being bought a year that never happens, and therefore the costs keep going up because you have to divide the number and, of course, the overhead, as you well know.

Would it not be better simply to take a realistic look at the funding profile and adjust the C–17 production rate to accommodate reality? Would you not save some money by doing that rather than continuing to have the fond hope that we are going to be able to get the production rate up that high? Maybe you have a plan to get it up that high, but I have seen it happen over and over and over again on weapons system after weapons system and it simply never seems to catch up and you get into, therefore, the perception that costs are going up, up, up.

General CASSIDY. Sir, you have expressed and characterized the program exactly and correctly that we have been faced with over the years. For the last 2 years, though, I have taken that exact problem and a solution to the DRB and they have kept the full funding of the C–17 up to the 29. So the ramp-up to 29, although it was suggested that we maybe should go lower than that, was supported by Secretary Cheney. I have not seen the final come over to you, but I believe it will come to you in those numbers. The reason for that is clearly, as you say, we need to get to a number and stabilize at a number and produce at a number that does not escalate the cost. We believe that number is the 29 production number. We believe we should get to that number by 1993, and the budget that we have recommended does that by 1993.

Chairman NUNN. You think you are on a realistic track now?

General CASSIDY. I do believe that, sir, and I think we should produce at that track. It always comes on the table simply because it is a very large budget number. It is a large program.

Chairman NUNN. I believe in efficient production rates. I think that is where we waste the most money we waste in the whole military budget—not on fraud, waste, and abuse, as bad and regrettable as that is—but on the inefficiency in production rates and paying that overhead cost for units never produced.

I appreciate all of you being here today and hope you will stay in touch with us and let us know what your observations and thoughts are and any problems you have as we go through this process this year.

[Questions for the record with answers supplied follow:]

### QUESTIONS SUBMITTED BY SENATOR SAM NUNN

#### MILITARY IMPACT OF GORBACHEV CUTS

Senator NUNN. General Richards, do you share Mr. Karber's assessment that the Gorbachev cuts, if implemented, are militarily significant?

General RICHARDS. [Deleted.]

#### IMPLICATIONS FOR MOBILIZATION

Senator NUNN. General Richards, what is your assessment of the warning time implications of the Gorbachev withdrawals, assuming that they actually occur?

General RICHARDS. [Deleted.]

Senator NUNN. General Richards, what is the value of 5–10 more days of mobilization to you?

General RICHARDS. USCINCEUR intends to use every day of warning time to get U.S. reinforcements to Europe faster. During the 5–10 extra days we will position our reinforcing forces at ports of embarkation to get a jump on deployment. We expect ships and airplanes to be available and deployment of selected critical deterrent forces could commence. In addition, 5–10 extra days of warning would allow selected reserve units to prepare for deployment. These units are critical to the support of our forward deployed combat forces.

Senator **Nunn**. General Cassidy, as the senior military officer responsible for transporting reinforcing forces to Europe in the event of war, what is the significance of 5–10 more days of mobilization time?

General **Cassidy**. There are several ways to apply the 5–10 more days of mobilization time which might have dramatically different results. If the 5–10 more days were prior to the decision to reinforce, then more assembly of forces and materiels to be moved could be accomplished, also positioning of lift assets and supporting assets can be accomplished in that 5–10 day window which would improve the speed and efficiency with which we accomplish force closure once deployment begins. If on the other hand, mobilization and deployment are the same day, and the anticipated D-day is just 5–10 days farther down the road, it might improve the theater CINCs' posture on D-day but would do nothing to improve USTRANSCOM's transportation capability, although it might significantly improve the deterrent value as more forces might be available to the theater CINCs on the day hostilities begin.

I am not comfortable with any assumption that increased warning time will necessarily result in increased mobilization time as a result of an earlier decision to reinforce or mobilize our assets. The danger in assuming this is that there is a possibility that the time gained in warning will be consumed by the decision-making process and no improvement in mobilization or reinforcement will be recognized.

In summary, more mobilization time will improve force closure and maybe deterrent value, but assumptions that warning time equals mobilization time are questionable.

### WESTERN RESPONSE TO GORBACHEV WITHDRAWAL

Senator **Nunn**. General Richards, if the Gorbachev cuts occur, do you believe that we can place greater emphasis on reinforcing forces? Do you believe we should continue to man units in Europe at 100 percent of authorized strength, for example.

General **Richards**. Geographic asymmetries will remain after a CFE agreement. The Warsaw Pact will continue to have interior lines of communications which will permit them to rapidly mass a force capable of offensive action against NATO. Smaller NATO residual forces will remain dependent upon out of theater reinforcement to conduct a successful defense. The Alliance's ability to reinforce, and a potential adversary's recognition of that ability, will be crucial to deterrence and warfighting. Additional emphasis on reinforcement capability—forces and infrastructure to deploy them—will send the signal that the United States continues to maintain its commitment to the Alliance and, in fact, will also improve our ability to react globally. It is premature to specify the manner in which we might make force structure cuts. Even when Gorbachev's cuts are realized, the East will still have an overwhelming advantage in theater. It will then be the task of the CFE negotiators to eliminate the remaining asymmetries. That process will determine how our forces should be structured and deployed. Units are structured to achieve maximum capability, and reducing a specific unit strength by a certain percentage may have a disproportionately negative effect on the unit. The more appropriate alternative may be to eliminate certain units rather than thinning the entire force. More analysis is required.

### READINESS OF U.S. RESERVE FORCES

Senator **Nunn**. General Powell, how would you assess the readiness of Reserve forces in the United States? Are they currently capable of rapidly reinforcing active units in Europe? If we were able to make a modest shift away from active toward Reserve forces, what changes in our current policy toward reserve units would have to be made?

General **Powell**. The readiness of our Reserve forces has improved significantly since the Army implemented Project STEADFAST in the early 1970s. Much of this improvement is due to the integration of the active and Reserve components into a "Total Army," as well as the CAPSTONE program which aligns units with the units they will fight with in wartime, intensive management of equipment programs, dedicated procurement funds and careful management of modernization. The U.S. Army Reserve and Army National Guard are vital elements in making the total Army a strategic force which supports national military strategy. They are capable of fighting as part of the total Army.

To answer the second part of your question, we must use caution in shifting additional missions from active to Reserve components. We would have to develop the policies necessary to permit us to continue the integration of Reserve and Active forces in the total force structure. This type of move requires integration of components with a unity of command. The Department of the Army is currently conducting a study of United States Army Reserve Command and Control to determine how best to continue the progress made in fielding a total Army capable of strategic deployment and executing warfighting missions on arrival in overseas theaters.

### DISAPPEARANCE OF THE SHORT WARNING SCENARIO

Senator **Nunn**. General Richards, in light of the Gorbachev withdrawals, is the short-warning scenario plausible ~~any~~ longer? Do you think the warning times are increasing, decreasing, or staying the same?

General **Richards**. [Deleted.]

### GORBACHEV ANNOUNCEMENT OF SHIFT TO DEFENSIVE POSTURE

Senator **Nunn**. General Richards, what is your assessment of the military significance of the reconfiguration of Soviet Forces?

General **Richards**. [Deleted.]

Senator **Nunn**. General Richards, do you expect to see a change in Soviet readiness if they have fewer divisions to support?

General **Richards**. [Deleted.]

### CHEMICAL WEAPONS

Senator **Nunn**. General Richards, in your prepared statement you said: "NATO's chemical weapons, on the other hand, are inadequate, inappropriate to the mission, and obsolete." Does this mean that you support the President's recent decision to accelerate the date by which the United States will withdraw its unitary chemical weapons stockpile from its storage sites in Germany in order to get them out earlier than 1992?

General **Richards**. [Deleted.] Although the United States has agreed to evaluate the feasibility of accelerated withdrawal, there has been no U.S. decision to do so. Technical feasibility and military implications (such as fewer binary weapons than anticipated) of accelerated removal are being assessed. [Deleted.]

Senator **Nunn**. General Richards, was SACEUR consulted about this decision before Secretary Baker announced it in Vienna last month?

General **Richards**. Again, no decision has been made. No, SACEUR was not consulted before Secretary Baker announced that the United States would explore ways to accomplish withdrawal earlier than the end of 1992.

Senator **Nunn**. General Richards, do you detect any indications that our allies might permit a peacetime stationing on their soil of the new binary weapons? If not, how do you as a Commander feel about the prospect of having a chemical weapons free zone on our side of the inter-German border as soon as the existing stockpiles are removed?

General **Richards**. In 1986 NATO countries were asked to support a U.S. force goal for modernization of chemical weapons to new, safer binary weapons. At that time some countries stated a preference for not storing binary weapons on their soil. Since that time, the NATO countries have not been asked to store binary weapons. I support our national policy of modernizing our chemical weapons stockpile while seeking a global, verifiable ban on chemical weapons. Removal of the stocks from Germany will cause a delay in retaliatory operations. Now we have a ready capability to retaliate, but after the chemical munitions are removed from Germany, the munitions needed to retaliate will have to come from the U.S. However, this is no different than it is for any other CINC—CINCPAC or CINCENT. It does mean that we will have to increase practice in moving the munitions in preparation for employment by NATO forces. This capability must be supported by a sound policy backed up by the resolve to use the capability if required.

### THEATER-BASED NUCLEAR SYSTEMS

Senator **Nunn**. General Richards, since it is more than 500 kilometers from the inter-German border to the Soviet Western Military Districts, and Follow-on to Lance cannot exceed 500 km in range under the terms of the INF Treaty—and since SLBMs or nuclear SLCMs allocated to SACEUR do not meet the test of "visibility"—what system or systems are you talking about here?

General **Richards**. The systems are NATO's dual capable aircraft (DCA). [Deleted.]

Senator **Nunn**. General Richards, in making the INF deployment decision in 1977, NATO believed that land-based missiles were needed because they were "visible" to NATO publics and thus would supposedly offer NATO publics reassurance that the Alliance was responding to Soviet SS–20 deployments. Now, there seems to be considerable evidence that systems which are "visible" to our own publics pro-

**voke the most opposition. Why do you believe Lance must be replaced with an equally "visible" land-based missile; why not consider sea-based or air-launched alternatives?**

**General Richards. The visibility of Follow-on-to-Lance (FOTL) is more important in deterring the Soviets than in pacifying NATO publics. If FOTL is deployed with the forces of several nations, it sends a strong and visible signal of Alliance cohesion and resolve. Sea-based and air-launched systems make obvious and valuable contributions to our theater deterrence posture, [deleted].**

### NATO ROBUST CONVENTIONAL DEFENSE

Senator Nunn. General Richards, how seriously have Gorbachev's proposed unilateral reductions eroded the prospects for NATO deploying a genuinely robust conventional defense?

General Richards. Mr. Gorbachev's announced reductions are certainly a step in the right direction—if completed. Unfortunately, the Warsaw Pact force remaining after these reductions will continue to have an overwhelming ground force superiority over that of NATO. The threat remains. The CFE talks will address the remaining asymmetries and the Pact has indicated a willingness to make some real reductions down to parity. Much must be worked out, of course, but I am encouraged at this point. Bringing the two forces to parity, when complemented by rigorous stability measures and treaty compliance monitoring, will make Europe much more secure. The situation will not be absolute security, so a sufficient conventional defense force must be maintained.

That's the military logic and, I believe, a convincing one. Other factors are influencing new perspectives on defense requirements in Europe. The Warsaw Pact is undergoing significant change and has been very successful—Mr. Gorbachev, in particular—in conveying an image of being much less a threat to the West. This is eroding support for a "robust" defense capability in NATO.

We are also fully supportive of the changes underway in the Warsaw Pact. We believe, however, that it would be prudent to wait until we can be assured that the changes are permanent and the reforms will continue. NATO has been successful in maintaining the peace for over four decades and has demonstrated that visible deterrence works. We need to stay the course until we are certain the Warsaw Pact is no longer a threat.

### NATO CFE POSITION

Senator Nunn. General Richards, in the battle for public opinion, how has NATO fared over the last month in explaining and defending its opening CFE proposal to its own publics?

General Richards. As I have no NATO role, I cannot speak for the Alliance. However, it is fair to say there is a healthy public dialogue in NATO nations, including the United States, about the CFE proposals. Also, General Galvin is an active and articulate spokesman on the military aspects of the proposals. He is frequently in the headlines of major newspapers, and appears on television in an ongoing effort to increase public understanding of the Alliance position.

### "DEEP CUTS"

Senator Nunn. General Richards, critics of NATO "deep cuts" approach to the CFE negotiations (e.g., one in which the West proposed mutual reductions to equal levels at about 50 percent of the current NATO levels) emphasize that with reductions of this magnitude, NATO could not maintain a conventional defense across the central front consistent with its forward defense strategy.

Do you agree that if NATO goes much below its proposal for mutual reductions to a level 95 percent of current NATO levels that it must give up forward defense?

How low can NATO go and still maintain the forward defense strategy, 10 percent, 25 percent, etc.?

Do you believe West Germany could agree to deep cuts to levels well below those envisioned in the opening NATO proposal without abandoning its support for the strategy of forward defense?

**General Richards. As you are aware, there are a number of studies currently under way which seek to answer definitively the first two questions. The wargaming will no doubt show that there is a point beyond which forward defense cannot be executed. We do not yet know what that number is, but are working to determine it. Cuts below 90 percent of current levels certainly put the strategy in question. On West German support for the current strategy in the face of deep cuts, I believe the Federal Republic will continue to support forward defense. I am also confident that**

they, as we, will not agree to radically deeper cuts unless and until it can be demonstrated that the security of the Alliance is not placed in jeopardy.

### COMBAT AIRCRAFT

Senator NUNN. General Richards, does it make sense for NATO to assume that it can keep combat aircraft off the negotiating table in Vienna?

General RICHARDS. In general terms, to the objectives for CFE are to strengthen stability and security in Europe through a balance of conventional forces at lower levels, eliminate disparities prejudicial to security, and eliminate the capability to launch a surprise attack or initiate a large-scale offensive action. The forces covered are all the conventional forces of the participants based on land within the territory of the participating states in Europe from the Atlantic to the Urals. The absence of any specific reference to air forces in the Western CFE proposal is designed to reflect agreement among the Allies to initially concentrate on those forces most capable of seizing and holding terrain—tanks, artillery, and armored troop carriers. Aircraft are clearly covered by the CFE mandate and subject to negotiation; however, because aircraft and the combat power they bring to bear on the battlefield only support the seizing and holding of terrain by tanks, artillery, and armored troop carriers, discussion of aircraft will be postponed until Western objectives in the three primary categories of equipment have been met. The West does not wish to see the arms reduction progress stymied in the most threatening categories of equipment due to the complexities of categorizing, defining, and limiting equipment with the mobility, fire power, and flexibility of aircraft. Ample evidence of the potential for early breakdown of the talks, if aircraft are included before agreement on the three major categories, is found in the superficial categorization of aircraft proffered by the East.

### OFFENSE-FREE ZONE

Senator NUNN. General Richards, what is your view of the idea of negotiating an offense-free corridor along the central front, which some have called a "bad idea whose time has come." Are there any variations of this idea that you might find palatable?

General RICHARDS. This idea, at least in the form in which it has been presented in the Eastern CFE proposal, is certainly a bad idea whose time has not come. I am not aware of any military force which has an unambiguously defense character. The corridors proposed to date could be easily and quickly traversed by an attacker, and NATO does not have the strategic depth which is available to the Warsaw Pact. Notwithstanding Eastern pronouncements that the third phase of conventional reductions in Europe should be the final restructuring of forces to be purely defensive in character, the sides must always have the ability to repel an aggressor. This requires our forces now located in the proposed corridor areas to retain a counter-attack/counter-offensive capability. The expanding zonal approach in the NATO proposal, on the other hand, is the correct one in that the sub-regions focus on the greatest source of instability by forcing large numbers of Soviet forces out of Eastern Europe.

### BOLDER NATO PROPOSAL

Senator NUNN. General Richards, recognizing that it took the Alliance two years of often fractious discussions to come up with the modest opening position it tabled last month, how long do you think it would reasonably take for NATO to agree on a much bolder proposal?

General RICHARDS. In the three equipment categories addressed in the Western proposal, studies suggest the Western approach provides deeper cuts, using NATO data and counting rules, than the first phase of the Warsaw Pact approach does using Warsaw Treaty Organization data and counting rules. The entire Eastern proposal contains more categories of equipment, but none of the detail of the Western proposal. The Western proposal cuts tanks, artillery, and armored troop carriers to the point where additional reductions are predicated on parity of capabilities and constraining measures—complex issues not addressed in the Eastern proposal. I do not characterize the Western proposal as modest. "Bolder" proposals, acknowledged by the West as possible, will have to address the viability of forward defense—an involved and politically charged examination. Although bolder proposals have not been ruled out by the West, parity of capabilities and undiminished security are prerequisites sure to engender lengthy discussion.

### INTERIM ACCORD

Senator NUNN. General Richards, most observers were surprised by the degree to which the opening Warsaw Pact proposal in CFE converged with NATO's opening proposal. Do you believe that that presents an opportunity for a so-called "interim" accord at the modest levels proposed by NATO before taking on the task of achieving far more ambitious reduction goals?

General RICHARDS. The Western proposal is a complete package consisting of reductions, stability measures, and a verification regime designed to synergistically achieve parity of capabilities. Although it is encouraging to see apparent convergence between the opening proposals with regard to reductions, much remains to be negotiated in order to assure undiminished security throughout this initial phase. Concentrating on the reduction aspect of the current Eastern and Western proposals deemphasizes the security sustaining contributions of stability measures and verification.

### EUROPEAN VIEW OF DEEP CUTS

Senator NUNN. General Richards, the NATO opening proposal assumes that if the Alliance draws the line in permitting only modest reductions below current NATO levels (i.e., 5 percent), it can back that up by maintaining public support for keeping NATO's conventional forces roughly at current levels. How strong a point of view is there in Europe that budget pressures, demographic trends, and changed perceptions of the Soviet threat will force a significant drawdown in current force levels? In short, is there a European point of view that deep cuts are coming anyway, so NATO might as well try to negotiate Soviet reductions down to these same much lower levels?

General RICHARDS. There is no doubt that budget pressures, demographic trends and changed perceptions of the threat among some observers are having an influence on the arms control process on both sides of the Iron Curtain. I am not convinced, however, that Western policymakers have unequivocally determined that deep cuts are inevitable, or even in the interest of the Alliance in the near term. At the same time, the possibility of deeper cuts at a later date has not been excluded. In fact, the Alliance indicated in its CFE proposal that, in the longer term, and in the light of the implementation of its proposed measures, it would be willing to contemplate further steps to enhance stability and security in Europe, such as: further reductions or limitations of conventional armaments and equipment, and the restructuring of armed forces to enhance defensive capabilities and further to reduce offensive capabilities. Western interest in conventional arms control is sincere and has been more than adequately demonstrated. If stability in Europe and the security of NATO is determined to be in harmony with a level of parity to which the sides would tend to reduce due to the other pressures mentioned above, I am confident that this would be in the interest of all concerned.

### DISESTABLISHMENT OF COMPONENT COMMAND HEADQUARTERS

Senator NUNN. General Cassidy, the February 1988 report by the Deputy Inspector General of the Department of Defense on the Unified and Specified Command Headquarters recommended the disestablishment of the three headquarters of the service component commands of your command, namely the Military Traffic Management Command, the Military Sealift Command and the Military Airlift Command. That recommendation was not followed. Can you explain to the committee why it was not followed and if, in your opinion, the day will ever arrive when that recommendation should be implemented?

General CASSIDY. The decision not to implement that recommendation of the study was made by the Secretary of Defense after a careful review of the replies of the JCS and the CINC's of the Unified and Specified commands. In addition, there were compelling arguments by the senior service leadership that this action would harm the capabilities and effectiveness of our Unified Command structure. We concur with that decision. The recommendation of the report to disestablish component commands was based on the false premise that "the span of control for non-theater, supporting Unified Commands will be reduced in wartime, as their peacetime forces are assigned (chopped) to theater unified commanders." In fact, the opposite is true for USTRANSCOM. Common-user lift assets do not "chop" to theater CINCs. During mobilization we're one of the first commands to grow to almost double our peacetime size of approximately 105,000. When we further consider the vast civil assets, which would come under our command land control in wartime, our span of control would probably increase by four or five times. Additionally, the USTRANSCOM area of responsibility (AOR) is global in nature in that our support covers a combination of all the CINC's AORs. The existing infrastructure must be able to absorb this rapid growth to effectively and efficiently manage our limited transportation assets and rapidly establish a global transportation network. This global transportation network will be vital throughout the spectrum of conflict until our people and equipment are returned home; from the initial surge through sustainment operations and final redeployment.

With regard to preservation of the service components of the joint commands, the Secretary of Defense further stated, "I am persuaded that execution of the statutory service responsibility to organize, train, and equip forces is an appropriate role for the component commanders, thereby freeing the CINCs to focus on their assigned wartime task." The excessive centralization called for in the report would cause the USTRANSCOM staff to spend an inordinate amount of time in the management of routine daily peacetime operations and divert attention away from its primary warfighting mission. Elimination of service components would also remove a vital link between USTRANSCOM and the services for advocacy and efficiency in the resource allocation process. For these reasons, we believe the recommendations to disestablish the component commands and centralize their functions under USTRANSCOM should not receive further consideration for implementation now or in the future.

### GOLDWATER-NICHOLS ACT

Senator NUNN. General Richards, would you describe for the committee the impact that the Goldwater-Nichols Department of Defense Reorganization Act has had on your command and your ability to accomplish your mission?

General RICHARDS. The U.S. European Command has been a long time advocate of the Goldwater-Nichols Act, prior to and subsequent to its passage in 1986. On several occasions, General Galvin has reported his views to Congress and to the GAO. HQ USEUCOM views Title II of the act as providing the necessary military advice and command functions to CJCS and the CINCs. Though OSD and the Joint Staff are proceeding to codify and institutionalize procedures necessary to implement the law as intended, more remains to be done. Minor problems will continue to surface in this evolutionary process and they will need to be addressed appropriately. Finally, while the law provided necessary expanded responsibilities and authority to CINCs, no additional manpower has been provided to execute these additional missions—in fact manpower is being reduced.

Senator NUNN. General Powell, would you describe for the committee the impact that the Goldwater-Nichols Department of Defense Reorganization Act has had on your command and your ability to accomplish your mission?

General POWELL. As I stated in my earlier testimony, I believe Goldwater-Nichols is working and we are moving in the direction you intended for us to go. The most significant effect of the act on FORSCOM has been the establishment of direct communications with the Secretary of Defense, the Chairman, and the Joint Staff. As you know it has also given us a greater voice in the Joint Strategic Planning System and the Planning, Programming, and Budgeting System. This allows me, as well as the commanders of the other unified and specified commands, to present my views and recommendations on critical defense issues. I also have full authority over all CONUS based Army forces assigned to FORSCOM in the JCS Forces For Report, an additional indicator that the act is working.

Since FORSCOM is still a relatively new command, we are continuing to experience some growing pains. One area in which we are still experiencing problems is approval of joint billets, however, we are working closely with the Joint Staff to rectify this problem.

Senator NUNN. General Cassidy, would you describe for the committee the impact that the Goldwater-Nichols Department of Defense Reorganization Act has had on your command and your ability to accomplish your mission?

General CASSIDY. Since the passage of the Goldwater-Nichols Defense Reorganization Act of 1986, my role as a unified commander has been strengthened. Following are examples of my opportunities to influence the DOD resource allocation process:

(a) Integrated Priority List (IPL)—In November of 1987, we submitted our first IPL to the Joint Staff which listed our major priorities to meet defense transportation requirements.

(b) Program Review—I've attended a number of top level OSD Defense Resources Board (DRB) meetings and advocated major transportation programs as well as reviewed service POMs for consistency with our IPL. As a result of USTRANSCOM's efforts, several transportation program funding levels were preserved for the FY90-94 POM during the Program Review.

(c) Execution Review—We are participating in the CY89 Execution Review which provides a forum for the command to review DOD transportation policy and program initiatives.

(d) CINC Small Programs—Small but mission critical, small budget programs are identified for tracking by the CINCs, services, and OSD, and validated through the FY90–91 budget and program reviews. My staff tracks these programs through the programming and budgeting process.

(e) Budget Review—USTRANSCOM participates in the DOD budget review process and reviewed over 170 Program Budget Decisions (PBDs) during the FY90–91 budget review. Through the submission of Major Budget Issues (MBIs), USTRANSCOM was able to restore funds to transportation programs of concern to the command.

(f) Congressional Review—As you know, I have appeared before a number of congressional committees both in the House and the Senate. I have discussed issues of command interest and concern such as transportation program funding, command readiness and sustainability, and other items that affect the mission and function of the USTRANSCOM. Congressional hearings give me the opportunity to express my concerns to Congress on current and future transportation program initiatives. Notwithstanding the above, I have also made several informal requests to the Chairman of the Joint Staff with regard to advocating concerns and/or support for programs or issues of major interest to the command.

### TACTICAL AIR COMMAND

Senator **Nunn**. General Richards, would you inform the committee how that arrangement is working, in terms of the responsiveness of the Tactical Air Command to the training and operational needs of CINCEUR?

General **Richards**. The system works well. USCINCEUR exercises Operational Command (OPCOM) of all designated dual-based USAF/air forces in the CONUS, and has passed Operational Control (OPCON) to the Tactical Air Command (TAC) for routine, day-to-day purposes. Whenever required, USCINCEUR may reassume OPCON, and whenever the designated dual-based or any other TAC aircraft deploy to the European theater, those squadrons also come under the OPCON of USCINCEUR. Normally, USCINCEUR will exercise OPCON of land based USAF assets through CINCUSAFE. As tasked by JCS, USCINCEUR does provide guidance concerning training and readiness requirements to TAC via CINCUSAFE. There have been no problems with responsiveness from Tactical Air Command either in regard to the training of forces for the European theater or to our operational requirements.

Senator **Nunn**. General Richards, in view of relationship established between the European Command and the Tactical Air Command, does General Galvin have a say in the selection and evaluation of the Commander of the Tactical Air Command as he would under the Goldwater-Nichols Act for his other subordinate commanders?

General **Richards**. No. General Galvin has no direct input in the selection and evaluation of the Commander of the Tactical Air Command.

### RELATIONSHIP WITH USSOCOM

Senator **Nunn**. General Richards, how would you describe your relationship and that of your command with Commander in Chief, U.S. Special Operations Command (USCINCSOC) and his command?

General **Richards**. We have a good relationship with United States Operations Command (USSOCOM). The formation of USSOCOM and the subsequent establishment of a sub unified command for special operations at HQ U.S. European Command has enhanced integration of SOF into theater war plans. USSOCOM serves as a focal point for: developing joint SOF doctrine; managing research, development, and acquisition for SOF equipment; advocating SOF requirements in the PPBS; and speaking authoritatively for joint SOF issues.

We have recently signed a Command Arrangements Agreement with USCINCSOC establishing procedures and delineating our mutual responsibilities in peacetime and war.

Senator **Nunn**. General Richards, are you comfortable with the training and capabilities of the special operations forces to contribute to the accomplishment of your mission?

General **Richards**. We have established detailed SOF requirements in war plans and training documents. Recent field operations and command post exercises and other in-theater training have demonstrated SOF ability to execute wartime missions.

Senator NUNN. General Powell, how would you describe your relationship and that of your command with Commander in Chief, U.S. Special Operations Command and his command?

Are you comfortable with the training and capabilities of the special operations forces to contribute to the accomplishment of your mission?

General POWELL. I would describe FORSCOM's relationship with USSOCOM—and with its Army component, the First Special Operations Command—as excellent. To answer the second part of your question, let me say that I have every confidence in General Lindsay and his command to ensure that special operations forces are trained and ready for employment when and where needed.

Senator NUNN. General Cassidy, how would you describe your relationship and that of your command with Commander in Chief, U.S. Special Operations Command and his command?

General CASSIDY. The USCINCTRANS/USCINCSOC relationship is excellent. It has been solidified through the coordinating and signing of a Command Arrangements Agreement (CAA). This document describes how each CINC and their staffs will work together to accomplish their assigned missions. The CAA establishes procedures and delineates responsibilities between USCINCTRANS and USCINCSOC. Annex A to the basic CAA confirms their mutual cooperation and commitment to provide Special Operations Low Level (SOLL II) aircraft and personnel in support of national objectives and USCINCSOC's responsibility for special operations readiness and training. Dialogue between flag officers of both commands is fostered through frequent meetings where new issues are discussed and resolved.

Senator NUNN. General Cassidy, are you comfortable with the training and capabilities of the special operations forces to contribute to the accomplishment of your mission?

General CASSIDY. As CINCMAC, I deal closely with the Twenty-Third Air Force Commander who is directly charged with the training and readiness of the Air Force Special Operations Forces. His dual-hat role as the Air Force Special Operations Commander makes him the link between myself and CINCSOC. Together, we have made great strides toward improving combat effectiveness. Our forces are in excellent shape and are prepared to support the combatant CINCs.

## CINC BUDGETS

Senator NUNN. General Richards, are you satisfied with the status quo with respect to CINC budgets or would you favor a reconsideration of that issue?

General RICHARDS. Most of the institutional barriers which have hindered the CINCs' participation in the budget process have been removed by DOD initiatives to enhance CINCs' participation in the planning, programming, and budgeting system and the Goldwater-Nichols Defense Reorganization Act of 1986. Our current participation via resource prioritization is effective and CINCs have adequate influence over budgetary matters without having to maintain large staff overhead which would be required to administer separate budgets.

Senator NUNN. General Powell, are you satisfied with the status quo with respect to CINC budgets or would you favor a reconsideration of that issue?

General POWELL. The spirit of the Goldwater-Nichols Act has been implemented; however it is unnecessary to require each CINC to submit a separate budget. The Office of the Secretary of Defense, the Joint Staff and combatant commanders have implemented procedures to ensure CINC requirements are considered and that combatant commands are aware of resource allocation proposals being studied. In addition, three of the four categories recommended for inclusion in CINC budgets are currently managed by the services or Joint Staff. The fourth category, contingencies, is difficult to analyze because we cannot budget for the unforeseen.

Senator NUNN. General Cassidy, are you satisfied with the status quo with respect to CINC budgets or would you favor a reconsideration of that issue?

General CASSIDY. I thoroughly support and I am satisfied with the current influence of CINCs on the DOD resource management process. I agree with the Chairman of the Joint Chiefs, when he responded to the Secretary of Defense, that it would be counterproductive to mandate submission of budgets by the CINCs. The strategic direction of Goldwater-Nichols is being implemented. It is inadvisable to involve CINCs in the myriad of detail involved in preparing budgets that could only be accomplished if the staffs of the CINCs were substantially enlarged, and such functions could be fulfilled only to the detriment of the CINC's combat missions. The existing resource allocation procedures and resources currently in place through OSD, JCS, services and this command ensure that our requirements and major concerns are amply considered.

Even in this era of dwindling resources, I am satisfied that my influence on the resource allocation process as USCINCTRANS is sufficient. This year alone, I have participated in top level DOD Defense Resources Board deliberations for several program and budget reviews. In each case mobility programs were well supported, even after thorough scrutiny. Each of the CINCs has several opportunities to be heard throughout the program and budget review process. With the combined voice of the CINCs at the DRB process and our service component commanders in their respective service program and budget reviews, I am convinced that our current system is sound and adequate.

### DISESTABLISHMENT OF REDCOM

Senator Nunn. General Powell, Forces Command was created coincident with the disestablishment of the U.S. Readiness Command. The latter, of course, was a unified command which has tactical air forces assigned. Given that training is one of the major missions of Forces Command and that one should train as one would fight, i.e., jointly, are you satisfied with your ability to train your assigned forces as a specified command or would you prefer that Forces Command be a unified command with Air Force forces as well as Army forces assigned?

General Powell. There are two separate issues which must be addressed to answer this question. The first is, "Can forces assigned to FORSCOM be trained in peacetime as they will have to fight in war?" The answer is yes. Army forces assigned to FORSCOM have and continue to train with forces of other services in the joint arena. FORSCOM is also the executive agent for the Joint Warfare Center and is charged with conducting joint exercises. Making FORSCOM a unified command for the purpose of enhancing training is probably doing it for the wrong reason and quite frankly, we are still evolving in our new joint training role, so it would be premature to address training problems at this particular juncture in time. The more relevant reason to make FORSCOM a unified command relates to CONUS defense. Defense of CONUS is presently a cooperative effort between multiple unified and specified commands. It is my understanding the Joint Staff is examining the need to establish a unified command with overall responsibility for planning and executing CONUS defense and I fully support the conduct of such a study.

### FORSCOM REPORTING RELATIONSHIPS

Senator Nunn. General Powell, according to your statement, you have a number of hats as a commander, and your command has a number of different roles. You are first and foremost a commander of a specified command and Forces Command has as its primary missions the provisions of a strategic reserve to the warfighting CINCs and land defense of the United States. You are also commander of an Army component commander to U.S. Atlantic Command, and Forces Command is LANTCOM's Army component. You are also commannder of an Army major command. You are also the Department of Defense executive agent for protection of key assets. And finally you are the Department of the Army's executive agent for the CAPSTONE program for achieving integration of Active and Reserve forces in operational plans. And I believe that you report to the Army's executive agent for civil disasters. You, thus, report to the Secretary of Defense, to the Secretary of the Army, to the Commander in Chief, U.S. Atlantic Command, to the Chief of Staff of the Army, and you are under the supervision of the Chairman, Joint Chiefs of Staff. Isn't it confusing to have so many reporting seniors?

Are you always sure in performing a mission, whom your boss is for that particular mission?

Do you have any recommendations for the establishment of a simpler chain of command?

General Powell. No, it is not confusing reporting through various chains. The instructions, policies, and guidance we work under are clear and distinct. Our people work with their counterparts in other commands, the Joint Staff and the Department of the Army on a daily basis and are familiar with our reporting responsibilities.

Although it might appear, at least superficially, that there might be some confusion concerning command relationships for particular missions, please be assured there is not. The operational chain of command is clearly laid out by the Goldwater-Nichols Act and understood by my people. At this time I must say I don't have any recommendations for a simpler chain of command. It may be advisable in the future to review FORSCOM's reporting structure, however, we are still evolving in our role as a specified command and I think it would probably be premature to make any changes at this time.

### LAND-BASED VERSUS CARRIER-BASED TACTICAL AIR POWER

Senator NUNN. General Richards, if you have to make a tradeoff between land-based tactical airpower and carrier-based tactical air power, which would you choose?

General RICHARDS. Both basing modes offer advantages and liabilities; the requirements for any given situation are dependent upon the threat, the mission, and political considerations.

### TROOPS MANNING INF-BANNED MISSILES

Senator NUNN. General Richards, last year we ratified the INF Treaty that calls for the elimination of ground-launched cruise missiles and the Pershing II missiles. Approximately 12,000 to 15,000 people worked on or supported those two weapon systems. There have been proposals to cut out the troops since the missiles have been eliminated. I understand that the Army and the Air Force intend to use those personnel for other missions in Europe. What is your perspective on cutting out those personnel?

General RICHARDS. The DOD Authorizaton Act of 1985 established a permanent European Troop Strength ceiling of 326,414 military personnel beginning in fiscal year 1986. This strength level should be maintained through the period of INF drawdown to enable us to improve the balance of conventional forces as well as provide an incentive for the Soviets to negotiate meaningful reductions. Additionally, cutting personnel would give our European allies a perception that we have reduced interest in Europe. America's national security strategy includes the defense of Western Europe as second only to the defense of North America itself.

### CRITICAL WARSTOPPERS

Senator NUNN. General Richards, earlier this year General Galvin said that shortfalls exist in "theater war reserve stocks of preferred munitions." And last year you said that "it is crucial that we continue to improve our existing levels of readiness and sustainability," and you submitted a list of critical "warstoppers" which included the [deleted] missiles.

However, the budget we received in January calls for significant cuts in Stinger missiles, Hellfire missiles, MLRS rockets, HARM anti-radar missiles, and Maverick air-to-ground missiles. And it terminated both the Navy and the Air Force's purchase of Sparrow and Sidewinder missiles.

What input did you have in developing the administration's budget that recommended these cuts?

What do these slower procurement rates mean for the sustainability of combat forces in the European Command?

General RICHARDS. DOD's Planning, Programming, and Budgeting (PPBS) practices/procedures codify the CINCs influence in the budget before you. Opportunities made available to the CINCs follow: submission of CINCs Integrated Priority List, Defense Resources Board appearances, submittal of POM issues and Major Budget Issues, and a Joint Staff and Congress who actively seek CINCs views on resource related matters. Thus, with many effective mechanisms at work, CINCs have been provided a range of opportunities to influence the development of the current Administration's budget. Slower procurement rates mean that it will take longer to reach sustainability stockage objectives. As you know, the fiscal year 1989 defense budget significantly altered the defense baseline and real growth projections. Some $300 billion of planned growth was cut. Even as we speak, DOD is working to further reduce that January budget. I am not satisfied with our current sustainability posture; I cannot be until our sustainability objectives are achieved. I am, however, very pleased with the progress made in the 1980s. With your support, sustainability of European Command forces has improved dramatically. Despite the negative trend in real defense spending since fiscal year 1985, progress has continued, albeit at a much slower pace. And I should add that some of these cuts simply reflect planned replacement, for example, the Sparrow is to be replaced by the far more capable AMRAAM which will begin production with this budget. Others simply reflect affordability considerations as DOD seeks to achieve the best balance of defense capabilities with the dollars provided.

### COMBAT SUPPORT/COMBAT SERVICE SUPPORT

Senator NUNN. General Richards, last year the GAO testified that the Army's Combat Support and Combat Service Support units have serious training shortfalls and equipment shortages. This fiscal year you have said you have made progress in improving our CS/CSS units, but how do we make progress in improving our CS/CSS units with a zero growth budget?

General RICHARDS. Nearly 2 years have passed since the GAO gathered data for that report. In that time the Army has continued its efforts to solve those problems. Equipment shortages have been reduced, personnel sourcing has been improved, and training status has been improved. Defense guidance midterm objectives for CS/CSS personnel are projected to be substantially achieved and exceeded for equipment. The Army deserves credit for finding ways to make these improvements. Of course, there is still much to be done to achieve fully CS/CSS requirements.

### DECLINE IN U.S. MERCHANT MARINE SEALIFT CAPABILITY

Senator NUNN. General Cassidy, as Commander in Chief of the Transportation Command, I realize that you are deeply concerned about the decline in United States Merchant Marine sealift capability. The recently submitted fast sealift program technological assessment report concluded that "firm, programmatically supportable operational requirements must be established before any additional follow-on technology efforts are initiated." You did not concur with that conclusion. Would you give us your views on the matter and would you let us know what steps you and your command have taken to ensure the development of such operational requirements?

General CASSIDY. Fast sealift, as envisioned, offers an alternative to solving a portion of the strategic lift equation. Since this concept is untried and unproven and because of the cost involved, it is vitally important to start now on the research and development phase of the options proposed, whether it be of monohull, semi-planning, or surface effect design. In my advocacy role, as a supporting unified commander, I will continue to work with the Navy to urge an R&D effort be approached to determine reasonable and practicable options that will be cost-effective and work. I believe that difficulties in propulsion, seakeeping, and commercial economic feasibility for a fast sealift design can be overcome only through a dedicated R&D program specifically for fast sealift.

### C-17 PROGRAM

Senator NUNN. General Cassidy, we continue to watch the C-17 program. Each year the number of aircraft seems to be stretched out, but the outyear production rates are always increased. I think the current plan proposes to build 29 aircraft a year. Obviously, if we can't afford to buy small numbers of aircraft at the start of the program, we certainly won't be able to afford 29 aircraft a year. Why are we spending money on a production rate we will never reach? Why not adopt a reasonable procurement strategy at the outset and avoid the stretch-outs and the implausible outyear production rates?

General CASSIDY. As mentioned in my testimony, I share the committee's concern; however, I believe the amended Defense Budget Secretary Cheney presented shows our commitment to a stabilized, low risk, and efficient acquisition program. As you know, at Full-Scale Engineering Development (FSED) Milestone 11 in 1984, the program buy schedule (fiscal year 1988 to fiscal year 1991) was 2-4-10-20. During 1985, in preparing the fiscal year 1987 POM, the 36 aircraft buy was reduced to 22 aircraft to 2-4-6-10 from fiscal year 1988 to fiscal year 1991 to remain within the resource constraints. This lower rate initial buy schedule has remained in effect since that time to include the current fiscal year 1990 to fiscal year 1991 PB. This orderly initial buy reduces concurrency risk by limiting production until testing is complete, keeps the program on track for a 1992 IOC, and yet minimizes program cost by sustaining the manufacturing learning curve efficiency by ramping up to 29 aircraft in the outyears (vice 25 as proposed in 1984 at Milestone 11). Multiyear procurement and better utilization of production tooling will further reduce program costs. The more aircraft we embrace in the multiyear window, the more savings we can achieve. Our buy, profile of 2-4-6-10-20-29-29-etc. is an efficient production rate, is very doable if funding remains stable from a risk stand-point, especially when you consider the contractually binding warranties in this program.

### CIVIL RESERVE AIR FLEET

Senator **Nunn**. General Cassidy, Senator Stevens has introduced a bill which would expand the Civil Reserve Air Fleet program by extending the modification authority to cargo aircraft. Currently commercial aircraft can be modified only if they are passenger aircraft. What do you think about this legislation? How many aircraft do you think you could modify if you had this authority? Is this a cost-effective way to add airlift capacity?

General **Cassidy**. This legislation is needed to expand the CRAF Enhancement Program. The current CRAF Enhancement Program only allows the DOD to participate in the modification of new or existing passenger aircraft into convertibles. S. 548 would also permit modifying existing civilian aircraft into any of the cargo-capable configurations: all cargo freighters, cargo convertible passenger aircraft, or combination passenger/cargo aircraft. Additionally, it would permit DOD to participate in incorporating communication, navigation, or other equipment to make civil aircraft more compatible with the military airlift system.

The number of aircraft which could be modified is difficult to program because they have historically been "targets of opportunity." This makes long-term planning difficult at best. However, for the past several years, we have had the opportunity to enhance two to three aircraft per year at an average cost of $5 million each. As funds are programmed, a level of effort of two aircraft per year should be pursued. In the interim, as targets of opportunity present themselves, reprogramming actions could be taken.

CRAF Enhancement remains the most cost-effective way to obtain additional bulk and oversize airlift capability because the majority of the acquisition, operating, and maintenance costs are paid by the carriers. However, as attractive as this program is, CRAF aircraft cannot solve all of our airlift shortfall problems. We must maintain a balance between organic and civil assets due to the limitations of CRAF aircraft (cargo door size, floor strength, and operational flexibility).

## Questions Submitted by Senator Edward M. Kennedy

### FAST SEALIFT REPORT

Senator **Kennedy**. General Cassidy, the Fast Sealift Report concludes that there exists no formal operational requirement for additional fast sealift. The report called for further requirements studies before initiating development of a new fast sealift ship. In your written comments to the report, you dissented from this conclusion, calling for immediate research and development in the area of fast sealift. Don't you agree that we have had enough requirements studies?

General **Cassidy**. Yes. In particular, the 1981 congressionally mandated mobility study and the 1984 DOD Sealift Study define general requirements. The key point to be made is to decide now which options, ship types, and propulsion technology and ship designs are most applicable to fulfilling the military sealift needs as well as being commercially practical. The perceived need for further studies will only exacerbate the delay in coming to a resolution.

### FAST SEALIFT

Senator **Kennedy**. General Cassidy, what steps is the Transportation Command taking to ensure that the clear need for more fast sealift is translated into the development of a formal operational requirement?

General **Cassidy**. The clear need to improve force closures has been long and well established. However, the best methods and combinations within strategic sealift, of which fast sealift is a part, and between the other variables of airlift and prepositioning is much more complex. We must continue to evaluate all possibilities. Fast sealift does offer an alternative. Critical R&D must be effectively pursued with the Navy at the forefront of the technological development effort. Fast sealift must also meet commercial acceptance to revitalize our maritime industry. I fully intend to continue to work towards this end with the Navy, other government departments and agencies, civil industry, and the unions to find the best alternative course of action.

Senator **Kennedy**. General Richards, do you agree with General Otis' assessment of the severity of the reinforcement problem—the need to meet the 10 divisions in 10 days requirement and the importance of fast sealift in addressing it? In short, do you see an operational requirement for fast sealift?

General **Richards**. I do agree with the former CINCUSAREUR, it is critical to the defense of Europe that our 10-day force (Army, Air Force, and Naval) arrive in time to deter, or meet the initial attack. Fast sealift will play a vital role in our ability to meet our commitment to NATO. It may not get our heavy divisions to Europe in 10 days, but with increased strategic warning of Soviet intentions and pre C-day positioning of unit cargo and ships at the ports, the forces could arrive and be ready to fight prior to the start of hostilities (D-day). Even after POMCUS for the entire 10-in-10 forces is filled, we have an operational need for fast sealift. Fast sealift also provides flexibility for other contingency deployments.

Senator KENNEDY. General Powell, your testimony supports the need for fast sealift. As you note, Forces Command is the largest command in the Department of Defense with 22 divisions, 21 separate brigades, 3 armored cavalry regiments and associated combat support units. Yet, without sealift, none of this impressive force is going anywhere. Over 95 percent of your equipment would travel by sea.

Do you agree that the inadequacies in our sealift capability—particularly fast sealift—undermines the effectiveness of your command?

Do you agree that there is an operational requirement for more fast sealift?

General POWELL. The Army is a global strategic force and is dependent on strategic sea and airlift to deploy forces and provide sustaining supplies. In recent years, Army leadership has taken major steps toward improving worldwide deployability by designing forces to take better advantage of existing strategic deployment assets and by prepositioning equipment and supplies forward. However, while these initiatives substantially reduce the burden on airlift and sealift, as General Cassidy stated in his testimony, a large deficit still exists to meet the requirements for worldwide movement of forces and supplies. I support the C-17 and also the development of a Surface Effect Ship, fast sealift program. Such capabilities will provide the United States with the strategic tools necessary to respond in times of crisis, lend additional support to our forward deployed strategy and provide a deterrent to potential aggressors.

Senator KENNEDY. General Richards, doesn't the prospect of troop withdrawals make fast sealift all the more important? Wouldn't an improved fast sealift capability mitigate the Soviet geographical advantage in moving forces back into Eastern Europe thereby making a conventional arms control agreement easier to negotiate?

General RICHARDS. Fast sealift is important to us and will become even more important if we are required to withdraw additional forces from Europe. We will have to plan to return those forces to Europe in crisis or war and the prospect of additional POMCUS authorization for these units is slim. Fast sealift is the answer to getting heavy units to Europe in 15 days or less (from decision to reinforce) or anywhere else in the world where we may be required to fight. Improving sealift capability does not necessarily solve the overall Soviet geographical advantage of reinforcing Soviet forces from the Urals to Eastern Europe. U.S. ability to deploy a heavy Army division from its origin in CONUS to its fighting position in Europe in 10-15 days using fast sealift will not match Soviet/Warsaw Pact ability to mobilize and deploy comparable reinforcing forces using interior lines of communication. Furthermore, it is easier for the Soviet/Warsaw Pact forces to interdict U.S./Allied SLOCs and ALOCs and hinder reinforcement plans than it is for the Allied forces to interdict Warsaw Pact interior lines of communication.

## QUESTIONS SUBMITTED BY SENATOR ALAN J. DIXON

### FORSCOM READINESS

Senator DIXON. General Powell, you express concern in your statement about FORSCOM's erosion of readiness and ability to support overseas CINCs with capabilities for accomplishing our forward defense strategy.

When you use the term "erosion," do you mean that the forces in your command are less ready to deploy today than they were a few years ago?

What are the main factors detracting from readiness in the Active and Reserve units in your command today?

General POWELL. The readiness posture of Forces Command has continued to get better over the past several years, however, as I stated in my verbal testimony, there are indications of "storm clouds on the horizon." We still have shortfalls in personnel, individual training skills, and equipment, although we have worked hard to correct them. These shortfalls have been exacerbated by the four consecutive negative real growth budgets experienced by the Army. These budgets have slowed modernization, forced reductions in critical personnel and training programs, and have begun to impact on base operations necessary to support soldiers, their families and the training and maintenance support base. Many of our commanders have been forced to divert soldiers from their primary task of preparing for war in order to fill the void created by resource constraints. If resources to support these types of activities continue to decline, we will begin to see a degradation in readiness. We must have the resources necessary to maintain our personnel posture, equip and train our soldiers to fight and win, and maintain the base structure that forms the foundation of readiness.

### SUSTAINABILITY

Senator **Dixon**. General Powell, how would you characterize the sustainability posture of the forces under your command today?

Has sustainability gotten better or worse in your command in the last 7 years?

General **Powell**. Let me address sustainability from the perspective of my various command responsibilities. First, as a supporting command providing forces to overseas CINCs, FORSCOM is responsible for the short term logistics sustainability of forces provided to other CINCs (with the exception of the Atlantic Command). We deploy units with the necessary food, repair parts, and ammunition to sustain them during this initial period. Once deployed to an overseas theater, the long term sustainability of forces is the responsibility of the receiving command and can best be discussed by them. I can say that short term sustainability has improved over the last several years due mainly to efforts to purchase a stockage of combat required repair parts, food, and ammunition. As the Army component of USLANTCOM, FORSCOM is responsible for both the short and long term sustainability of Army forces provided to the Atlantic theater. This is an area of concern as the war reserve stocks to sustain these forces are at a low level of fill.

Finally, I am charged with the land defense of CONUS and defense of Alaska (minus the Aleutians). Sustainability of these forces is generally adequate with the exception of large caliber munitions for Alaska. This is an Army-wide problem experienced as a result of reduced funding, but we are working to find ways to improve this situation.

Senator **Dixon**. General Richards, how would you characterize the sustainability of U.S. forces under your command today? Has sustainability gotten better or worse in your command in the last several years?

General **Richards**. Rather than giving you a long-winded response I will give you a brief assessment and refer you to the DOD Integrated Readiness Report on Manpower, Mobility, Sustainability and Equipment just released to Congress which provides a detailed assessment of sustainability for each of the unified commands. In general, I would say that our sustainability posture is marginally adequate. While significantly better now than at the beginning of this decade, we still have shortfalls in most categories of war reserve munitions and equipment compared with sustainability stockage objectives. And the continued negative trend in real funding is beginning to look very much like the pattern that led to the so called hollow-forces of the 1970s. I should add that sustainability also includes the capability to reinforce and resupply. Our most serious shortfall is in strategic mobility, both airlift and sealift. The addition of the C-17, which is fully funded in this budget, will do much to resolve airlift shortfalls.

### SUSTAINABILITY OF OTHER NATO FORCES

Senator **Dixon**. General Richards, how would you characterize the sustainability of U.S. forces under your command in Europe to the sustainability of other NATO forces? How are the allies doing in the area of sustainability? Secretary Cheney's recent burdensharing report noted that "the allies expect to achieve 80 percent or more of NATO identified stockpile objectives for a large portion of 24 major ammunition categories for ground, air and naval forces." When do they achieve 80 percent? Does this mean that we will not be forced to resort to nuclear weapons in the early days of the conflict?

General **Richards**. I do not have direct access to data on Allied stockage levels, however, the Integrated Readiness Report I mentioned earlier also includes a chapter on Allied sustainability. A SACEUR decision to request use of nuclear weapons essentially comes down to a question of NATO's ability to maintain a cohesive defense. Sustainability would not be the only factor in such a decision.

### ACTIVE/RESERVE MIX

Senator **Dixon**. General Powell, from your position as Commander of the Strategic Reserve of all U.S. based Army forces, do you believe there are opportunities to transfer more missions or forces from the Active to the Reserve components?

General **Powell**. Since 1984, Army Reserve forces have increased by approximately 70,000 authorized spaces. In Forces Command today, we are finding Reserve component units that are not fully mission capable due to shortages in equipment and personnel, lack of training and turbulence caused by modernization efforts. Our ability to improve this situation has been limited by fiscal year 1988 and 1989 budget levels that constrained total Reserve component end strength, placed a limit on officer end strength and reduced authorizations in Active Guard Reserve personnel. As a result of a recently completed total Army analysis for the period fiscal year 1992-1996, the reserve components are working to reduce programmed growth by approximately 25,000 total spaces by fiscal year 1996. This action is the result of resource shortfalls. I recommend the transfer of additional missions or forces from Active to the Reserve components be avoided until the existing force is modernized, trained and equipped consistent with realistic resource levels. Even then, we must be careful not to shift more missions to Reserve forces than they are capable of bearing. Shifting missions to the Reserves cannot be viewed as a panacea for budget problems.

### 401ST TACTICAL FIGHTER WING

Senator DIXON. General Richards, my understanding is that this new base at Crotone will be a peacetime operating base for the 401st like the Torrejon base was. In the event of war, the F-16s of the 401st would deploy from Crotone elsewhere for their wartime operating location. Is this correct? If Crotone is going to be only a peacetime operating base, why couldn't we station these aircraft back in the United States and then deploy them directly from the United States to their wartime operating location when necessary?

General RICHARDS. Yes, it is correct that Crotone will be a peacetime operating base. The decision to keep the 401st in theater vice deploying it from the United States was made after considering a number of factors. The 401st's presence in the Southern Region underscores our commitment to NATO and, in particular, to our allies in that region. As the only dual-capable aircraft based in the Southern Region, the 401st serves as a visible peacetime deterrent. If the wing were based in the United States, its deterrent value would be diminished. There would also be the problem of deploying the 401st to its wartime operating bases within the time frame to which we are committed to NATO. Additionally, deployment of the 401st from the United States back to the European theater would place an additional burden on strategic lift assets, already over-tasked with requirements to flow critical forces to reinforce NATO.

Senator DIXON. General Richards, what are the plans for the use of this base now? If the United States does not reuse this base, how much of U.S. and NATO costs will be recovered?

General RICHARDS. [Deleted.] The U.S. and NATO investments in Comiso are $101.3 million and $56.9 million respectively. Although agreements provide for payments of residual value for vacated facilities, experience indicates such reimbursement is very low.

Senator DIXON. General Richards, with the force structure reductions under discussion in the Department, isn't there a chance that we could build a brand new base at Crotone and then decide that the 401st should be deactivated, leaving us with nothing to put there?

General RICHARDS. Deactivation of the 401st was looked at earlier and it was determined the 401st was too valuable to NATO to be deactivated. There is no sentiment for doing so and should such a move be recommended, it would be opposed. Retention of the 401st in our NATO forces and in the Southern Region is a top priority for USCINCEUR and NATO.

## QUESTIONS SUBMITTED BY SENATOR JOHN WARNER

### CIVIL AIR RESERVE FLEET

Senator WARNER. General Cassidy, if in the future we are to reduce the number of forces forward deployed, our need for airlift will increase, just as will our need to project forces by sea.

Today the Civil Air Reserve Fleet (CRAF) would provide nearly 24 percent of the cargo airlift and 95 percent of the passenger airlift available to DOD in the event of a national emergency. Senator Stevens has approved a bill, S. 548, to expand the CRAF program to permit militarily useful features to be incorporated into civilian aircraft during assembly. Under existing legislation, incentives are provided by the government only when existing air frames are modified.

Are you familiar with Senator Stevens' legislation and, if so, do you support its enactment? Are there any other improvements needed in CRAF beyond those suggested by Senator Stevens?

General **Cassidy**. Senator Stevens' bill, S. 548, will provide authorization to strengthen our current CRAF Enhancement Program. It would not only allow us to increase the interoperability of civil aircraft within the military airlift system, but also allows passenger aircraft modifications into any of the cargo-capable configurations: Freighters, convertibles, or combination passenger/cargo aircraft. As with the existing legislation, these modifications could be performed on either new or existing airframes. I fully support the passage of this bill.

Senator Stevens' bill would provide a considerable degree of flexibility for the CRAF Enhancement Program. This flexibility would allow the DOD to make optimum use of this program in the ever changing environment of the civil air carrier marketplace.

Senator **Warner**. General Cassidy, I understand that the Air Force had initially included funding in the fiscal year 1990–91 defense budget in anticipation of the authority to pay incentives for inclusion of militarily useful features in new civilian aircraft. Is that correct? Would you, in light of reductions now being made in the defense budget request, still support funding for such a program?

General **Cassidy**. Yes. The Air Force set aside $2.7 million for the fiscal year 1990–91 defense budget for CRAF Enhancement; however, these funds were not meant as an incentive, but for the procurement and installation of equipment to modify aircraft to make them more compatible with the military airlift system.

I would still support funding of this program even in light of budget reductions. The U.S. commercial air cargo and passenger industry is growing, and by funding this program, we can provide a vehicle to stimulate some additional growth. Furthermore, under S. 548, this increase in defense airlift capability can be accomplished in a very cost-effective manner.

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## Questions Submitted by Senator Strom Thurmond

### RESERVE FORCE STRUCTURE

Senator **Thurmond**. General Powell, there have been numerous articles about reducing the active force structure and increasing the Reserves. As a strong supporter of both the Reserves and the National Guard, I would be inclined to support such a move providing the support structure is also transferred. Since you command all the Reserve units, I would like your personal opinion on giving the Reserves additional force structure. Is this a viable option?

General **Powell**. First, let me state for the record that I command only United States Army Reserve forces during peacetime. Command of the Army National Guard comes to me only when a Guard unit is federalized. Over the past 5 years, the Army Reserve force structure has grown an average of 14,000 spaces per year. In FORSCOM today, many of our Reserve component units are less than fully mission capable because of shortfalls in personnel, lack of individual training skills, equipment shortages, and turbulence associated with modernization efforts.

Long training periods required to learn to operate and maintain modern equipment and a declining recruitable population base coupled with a lack of dollars are contributors to this situation. As a result of a recently completed total Army analysis covering fiscal year 1992–fiscal year 1996, the United States Army Reserve and Army National Guard are working to reduce programmed growth by 25,000 total spaces. This action is necessary to bring the force structure allowances of these two components in line with budgeted end strength. Even if support structure like additional end strength and Active Guard Reserve authorizations was made available with your support, giving the Reserves additional force structure now is not a viable option. Army Reserve forces have grown too quickly and now need time to adjust. We must modernize, train, and equip the existing force before further expansion occurs.

### EQUIPMENT MAINTENANCE

Senator **Thurmond**. General Powell, we are giving both the National Guard and Reserves the most modern equipment and complex equipment. For example, in South Carolina we are now forming an Apache Helicopter Battalion and a Hawk Missile Battalion. My concern is that we cannot maintain this complex equipment on a part time basis and we do not have enough Active Guard Reserve (AGR) personnel to keep the equipment in the highest state of readiness. Has Forces Command reviewed this situation, and, if so, what were the conclusions?

General POWELL. While it is true that we are giving the National Guard and Army Reserves modern, state of the art equipment, maintenance of that equipment is not accomplished on a part time basis. Most scheduled maintenance is accomplished by an Army maintenance support activity or, in the case of aviation, an aviation support facility. Additionally, soldiers also perform maintenance during weekend drill periods. This arrangement is adequate for maintaining equipment. We recognize that organizations such as aviation battalions and air defense battalions require a higher level of AGR staffing. Staffing guides to support these requirements normally authorize a fill rate of 30–40 percent of total table of organization and equipment requirements. Currently, we have received congressional approval for a 10 percent fill of AGR staffing requirements and this is where we are experiencing problems. I would solicit your support to provide the resourcing necessary to support these requirements.

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## QUESTIONS SUBMITTED BY SENATOR JOHN MCCAIN

### USEUCOM ROLE IN PPBS

Senator MCCAIN. General Richards, could you describe the role that USEUCOM now plays in the strategic planning and programming efforts of the Joint Staff and Department of Defense, and how it has affected the preparation of the fiscal year 1990 and fiscal year 1991 budget and FYDP?

General RICHARDS. USCINCEUR provides his views to the SECDEF and CJCS on all major strategy, planning, and programming documents and decisions in the DOD. His counsel is sought and his voice is heard throughout the Joint Strategic Planning Process and the DOD's Planning, Programming and Budgeting System.

### NET ASSESSMENT

Senator MCCAIN. General Richards, could you describe the net assessment activities of USEUCOM and list the studies and net assessment efforts where USEUCOM has played a role?

General RICHARDS. USEUCOM has actively participated in both the Joint Military Net Assessment (JMNA) and the Chairman's Net Assessment for Strategic Planning (CNASP). USEUCOM's involvement in the JMNA was a review and comment, with many of our recommendations being incorporated in the document. During the CNASP our involvement included review, comment and direct participation in the wargame.

### FORCE ASSESSMENTS

Senator MCCAIN. General Richards, does USEUCOM have summary assessments of the trends in the NATO and Warsaw Pact balance in the Central Region, on the Northern Flank, on the Sourthern Flank, and at sea?

General RICHARDS. [Deleted.]

### CONVENTIONAL IMPROVEMENTS

Senator MCCAIN. General Richards, could you provide a detailed list of the U.S. and Allied improvements in each area where a major deficiency exists, and list the additional measures that must be taken to reduce these deficiencies to acceptable levels?

General RICHARDS. We do not have insight into the details of Allied programs. In the conventional arena we must continue the C–17 program, develop and field JSTARS, and support the other key defense programs I listed at the end of my opening statement and as needing your support. We need a balanced approach across the spectrum of conflict.

### ALLIANCE FOFA

Senator MCCAIN. General Richards, you also refer on page 5 to Alliance acceptance of the long planning guidance for FOFA. Could you provide a list by NATO country of the specific improvements made in FOFA capabilities to date, and of the specific improvements each country now plans to make over the next five years? What is your assessment of the overall adequacy of currently programmed FOFA capabilities in 1994?

General RICHARDS. The level of detail requested in respect to NATO FOFA capabilities is not available from HQ USEUCOM. However, this information is available through USD(A): Tactile Warfare programs (Conventional Initiatives).

### ARMOR/ANTI-ARMOR

Senator MCCAIN. General Richards, can you provide an assessment of the current balance of armor and anti-armor capabilities in the Central Region, and of the trend in these capabilities through 1994?

General RICHARDS. [Deleted.]

### BURDENSHARING

Senator MCCAIN. General Richards, you refer on page 6 of your testimony to the fact that many nations need to do more. Could you provide a list by NATO country of the specific actions each country needs to take in prioritized order?

General RICHARDS. The question of burdensharing actions by NATO countries is the subject of a report to Congress by the Secretary of Defense titled "Report on Allied Contributions to the Common Defense," dated March 1989 (Secret NOFORN). It provides a Department of Defense assessment of the extent to which the individual NATO nations are contributing their fair share of the common defense burden. The report analyzes various burdensharing indicators and factors, offers conclusions as to recent and current performance, and describes recent and ongoing actions to achieve an equitable distribution of roles, risks, and responsibilities.

### U.S. READINESS

Senator MCCAIN. General Richards, on page 9 you describe problems in U.S. readiness which could lead to a return to the hollow force structure of the 1970s. Could you provide more specifics about the current problems, and indicate the strategic risks inherent in funding levels that do not improve our capabilities in any of these areas through fiscal year 1992?

General RICHARDS. Assigned and reinforcing combat forces are substantially ready, with the majority of forces normally reporting C-2 or better. Assigned Combat Support and Combat Service Support (CS/CSS) forces are substantially ready, however, [deleted] of Army reinforcing units are C-4 or below. Approximately [deleted] of required deploying Army CS/CSS forces are unsourced. Problems include personnel strength, skill qualification and, equipment on hand. The impact of this, now and in the foreseeable future, is that our combat forces are generally [deleted], particularly on NATO flanks.

### NATO AND WARSAW PACT THEATER NUCLEAR FORCE MODERNIZATION

Senator MCCAIN. General Richards, could you provide a summary comparison of the NATO and Warsaw Pact trends in the modernization of theater nuclear forces, and a more detailed description of the strategic risks and impact on the balance of not providing the FOTL and SRAM-T?

General RICHARDS. There is extensive evidence that the Soviets are modernizing their theater nuclear forces and continuing to develop improved variants of missiles. These variants appear outwardly similar to existing versions, but possess significantly better capabilities. The Soviets continue to replace the old FROG system with the SS-21, which has much greater accuracy and longer range. [Deleted.] On the other hand, modernization of NATO theater nuclear forces has been very limited. [Deleted.] Some research and development work has been done on the FOTL and SRAM-T, [deleted]. FOTL and SRAM-T are needed in this theater to reduce the Soviet edge. [Deleted.] Deployment of FOTL using a modified MLRS launcher will reduce this ratio substantially. SRAM-T is needed to enhance aircraft survivability by allowing aircraft to attack targets while standing off beyond the range of air defenses. Without these two systems, our deterrent posture will be degraded substantially as obsolete systems are removed from the theater without replacement. On a strategic level, these systems provide for widespread sharing of the nuclear burden throughout the Alliance. If they are not provided, deterrence will be far less stable; the Soviet conventional/chemical preponderance will continue, and our means of discouraging its use will be undermined.

### AMMUNITION DEFICIENCIES

Senator MCCAIN. General Richards, you refer on page 13 to the need for the proper ammunition in the right quantities at the right time and place. Could you provide a list of our current deficiencies in ammunition and of any major maldeployment of that ammunition? Could you provide a list by Allied country of the major deficiencies in ammunition that our allies need to correct?

General RICHARDS. I can provide this list of munitions broken out by theater service component for which stockage levels are less than 50 percent of defense guidance stockage objectives. Our largest concern with malpositioned ammunition is for the theater's [deleted]. Most munitions stocks for the [deleted] are not stored at or near the site of intended use. Some stocks stored in theater are as much as [deleted] from the site of intended use, and some Air Force munitions would have to be moved from [deleted] to designated co-located operating bases. Recent Wintex-Cimex 89 experience indicates Allied shortages in [deleted]. Shortages seemed most pronounced in the [deleted]. Again, the Integrated Readiness Report I mentioned earlier has data on allied munitions.

[Deleted.]

### AMENDED BUDGET

Senator MCCAIN. General Richards, on page 16 of your testimony you provide a list of key defense programs for which you are seeking congressional support. Once the new defense budget is submitted on May 24, could you provide a list of the programs on your list that are not receiving adequate funding and an assessment of the risks posed by that lack of funding?

General RICHARDS. The recent amended budget reflects a careful evaluation of defense requirements, to include programs listed on page 16. Nevertheless, funding constraints have forced us to accept increased risks. Our air, land, and sea force levels have been reduced; some of our sustainability goals, especially for preferred munitions, are not fully supported; and our maintenance backlog will not be reduced. Aside from the above, the programs referred to on page 16 are adequately supported. Undoubtedly, the downward path of funding is uncomfortably risky to the Nation's defense capability and progress toward meeting our commitment to NATO will be curtailed.

### REDUCING FORCES

Senator MCCAIN. General Richards, there has been considerable talk of reducing U.S. forces in Europe and of converting them to Reserve or dual based status. Could you provide a summary assessment of the current level of risk inherent in our dependence on the rapid deployment of land and air units from CONUS? In our dependence on Reserve forces? In our dependence on co-located and dual based forces?

General RICHARDS. USCINCEUR and NATO depend heavily on the rapid deployment of U.S. forces (Army, Air Force, and Naval) to Europe. The risk to Europe if these forces do not deploy in a timely manner (prior to D-day) is great. Our co-located (in-place) forces and our dual based forces (expected to deploy prior to decision to implement the RRP) will not be enough to deter or stop a Soviet/Warsaw Pact attack. We will rely heavily on Reserve deployments if initial active duty deployments cause the Soviets to postpone their attack until a more favorable correlation of forces is achieved. With a short notice attack, most Reserve forces would not enter the conflict until well after the conflict began. Our task should be to establish parity of in-place ground forces at some level (NATO has suggested 95 percent). There must also be a rough parity in NATO-Warsaw Pact mobilization/reinforcement capabilities so that neither side can gain a decisive numerical advantage during the onset of war. There is a minimum number of active duty and fully forward deployed forces below which one cannot go in a forward defense, even at parity of forces. This number must be systematically determined by means of quantitative analysis, simulation, and analytical wargaming, and must be redetermined at every stage of mutual force reductions.

### MANPOWER, MODERNIZATION AND SUSTAINABILITY

Senator MCCAIN. General Powell, could you provide a list of the major shortfalls in manpower, modernization, and sustainability that affect the Third Army's ability to perform its mission, and indicate the extent to which each shortfall or deficiency will be reduced or increased by fiscal year 1994 under the current FYDP?

Could you provide a list of the major shortfalls in manpower, modernization, and sustainability that affect the XVIII Airborne Corps' ability to perform its mission, and indicate the extent to which each shortfall or deficiency will be reduced or increased by fiscal year 1994 under the current FYDP?

Could you provide a list of the major shortfalls in manpower, modernization, and sustainability that affect III Corps' ability to perform its mission, and indicate the extent to which each shortfall or deficiency will be reduced or increased by fiscal year 1993 under the current FYDP?

Could you provide a list of the major shortfalls in manpower, modernization, and substainability that affect I Corps' ability to perform its mission, and indicate the extent to which each shortfall or deficiency will be reduced or increased by fiscal year 1994 under the current FYDP?

General Powell. Let me begin by saying the Third U.S. Army and the three stateside corps of Forces Command are all capable of fulfilling their assigned wartime missions today. Their continued success and the speed with which they achieve it are dependent on robust continuation of programmed modernization, training, and sustainment activities.

The significant number of changes in both DOD and Army resources since publication of the last submitted Presidential Five Year Defense Program makes it difficult to discuss how that program would have relieved shortfalls in manpower, modernization, and sustainability for Third Army and the stateside corps. These organizations and their subordinate units are beginning to show the effects of the four consecutive years of negative real growth budgets experienced by the Army. As I stated in ~~my~~ earlier testimony, the effects of the last four years have begun to slow modernization, cause reductions in critical personnel and training programs, and a diversion of soldiers from their primary task of training to support base operations and maintaining quality of life programs. Further reductions under a fifth year of negative real growth will exacerbate these problems—consequently, modernization can be expected to slow even more and it will increasingly become difficult to recruit, train, and retain the quality soldiers we now have in the force. I solicit your support to keep this from happening and to ensure that we are able to maintain the quality force you have worked so hard to achieve, and to prevent an unacceptable decline in total readiness which may jeopardize the capability of these organizations to perform missions in support of national objectives.

## C-17

Senator McCain. General Cassidy, could you describe the impact of delaying C-17 procurement by 1 to 2 years? Of cancelling the program?

General Cassidy. As all the CINCs have testified, they need the C-17 now. We have already delayed the program too long—we must maintain the current track to achieve IOC by the Fall of 1992 and reach our goal of 66 MTM/D of strategic airlift capability as soon as possible to maintain a credible conventional deterrent force posture. As to cancellation, any thought along that line would simply put the Nation at risk given the dynamic nature of the European security environment, contingency operations, and our day-to-day worldwide national strategy commitments. Modernization is also a key point. Without C-17 replacements for the aging C-141 fleet, the mainstay of current strategic airlift, the nation's rapid long-range airlift capability will begin to decline dramatically in the 1990s as C-141s reach their 45,000 flying hour service life. Programmatically, restructure of the magnitude caused by a 1- to 2-year delay would force Douglas Aircraft Company (DAC) to move a major portion of their growing commercial business (MD-11 and MD-80) into the new C-17 production facility (which includes state-of-the-art manufacturing tools and machinery) built by DAC as a capital investment in modernization. All C-17 tooling would have to be torn down, packed, shipped, and stored at a cost of millions of dollars—all at government expense. As mentioned in previous testimony, a delay of this nature would unnecessarily add several billion dollars to the total program cost; DAC would lose their subvendors and then have to recertify them as well as renegotiate contracts; and the Air Force would lose all the contractual warranties which were attained in the competitive source selection environment. The fiscal year 1990-91 President's budget outlined before Congress on 25 April 1989 by Secretary Cheney supports a low risk initial production rate ramping up to 29 aircraft a year—it is essential we maintain this track.

## C-130

Senator McCain. General Cassidy, last year Congress provided funds for a substantial number of C-130 aircraft that the Department of Defense did not request. Would it be desirable to reprogram funds for such aircraft for the C-17 or C-27? Is there a high priority need for more C-130s, given the superior performance of the C-17 and C-27?

General Cassidy. At present, the priority is with programs other than C-130. Since the current C-17 program funding is healthy, it would be more advantageous to reprogram the C-130 funds you mentioned for procuring additional C-27 aircraft.

The current C-27 procurement program only buys 10 aircraft for SOUTHCOM, and with the priority of SOUTHCOM's need, this small number of aircraft will prevent us from utilizing this new capability in any other theater without additional aircraft. We have a documented (unfunded) requirement for another squadron of C-27 aircraft to support additional theater requirements, augment SOUTHCOM as necessary, and to provide a CONUS training and rotation infrastructure.

There are other important advantages to increasing the C-27 programmed buy. While we expect adequate competition for the current procurement, a planned buy of 25 or more aircraft could attract additional competitors. As the competition grows, the unit price could go down.

### PILOT RETENTION

Senator McCAIN. General Cassidy, you discuss the pilot retention problem in detail. Could you provide us with your views on the Glenn-McCain bill to solve this problem?

General CASSIDY. I believe this bill is long overdue. I have advocated similar attempts to increase Aviation Career Incentive Pay (ACIP) since my duty as the Air Force Deputy Chief of Staff for Personnel. The only long-term solution to our retention problem is a substantial increase in aviator compensation that keeps pace with private sector earnings and includes authority to pay bonuses where and when we need them.

From a crew force management perspective, the bill is in line with our renewed emphasis on Officer Professional Development (OPD). OPD stresses depth of experience as a young officer and breadth as a mid-level to senior officer. However, we still need some flexibility to move young officers when and where we need their expertise, and are concerned the gate schedule reduces some of our flexibility.

The aviator death gratuity sends a tremendously positive signal to our troops and their families. More and more, family concerns weigh heavily on our officers' career decisions. This insurance tells them our country recognizes the sacrifice each family makes and is committed to compensating them for their loss. The officers we've talked with tell us, next to the ACIP increase, the death gratuity is the best part of this bill.

### PREPOSITIONING SHORTFALLS

Senator McCAIN. General Cassidy, what current major shortfalls exist in our prepositioning efforts? To what extent will these be overcome as part of the fiscal year 1990 to 1994 FYDP?

General CASSIDY. The major Army prepositioning effort is Prepositioning of Materiel Configured in Unit Sets (POMCUS). This program prepositions unit sets of equipment in Europe for wartime deploying stateside divisions and support units to meet our NATO commitment. Currently, 60 percent of this equipment is prepositioned (stored) in Europe for units with authorized POMCUS storage leaving a 40 percent shortfall. Percentages are based on short tons. Improvement over the next 5 years would be highly speculative given the reduced resource outlook.

### SEALIFT SHORTFALLS

Senator McCAIN. General Cassidy, you refer on page 25 to our current efforts to cure our sealift problems as being "only a bandage to stop the bleeding in our sealift capability." Could you discuss the shortfalls you now project for fiscal year 1994? What will be the impact on our ability to meet our commitments to NATO? Our ability to defend Asia? Our contingency capabilities in Southwest Asia?

General CASSIDY. The Department of Transportation projections for 1994 indicate a decline in our ability to meet defense guidance goals between now and 1994. In fact, by 1994 we will be able to meet only 78 percent of the goal for unit equipment capable shipping and 83 percent of the goal for sustainment capable shipping. When you consider that the current operational plans of our supported CINCs are already transportation constrained, this reduction in our capability is significant.

Assuming no changes to requirements as a result of any initiative to turn from our current strategy of forward deployment, these projected reductions would have a significant impact upon our capability to deploy and sustain forces in any scenario. Some options being considered in strategic planning circles indicate the requirements for deployment and sustainment transportation may be increased if new directions in strategy are chosen. Such increases would have an increasingly dramatic impact, coupled with the projected sealift decline, on our ability to meet the supported CINCs' strategic transportation requirements.

Today, the transportation constraints applied to the requirements result in late deliveries in the critical first 90 days. The aforementioned projections applied against the current requirements, assuming all other factors remain constant and we improve our airlift and prepositioning status as projected, the period of late deliveries will increase beyond the 90-day mark significantly. If our current programs in fact stop the bleeding we will maintain, and I emphasize maintain rather than improve, our current delivery capability for cargo requiring sealift. The existing sealift shortfall which results in the majority of those late deliveries will remain constant.

Chairman NUNN. I thank all of you for what you are doing for the country. Thank you for coming, gentlemen.

[Whereupon, at 12:10 p.m., the committee adjourned.]

# INTERNATIONAL SECURITY ENVIRONMENT (STRATEGY)

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WEDNESDAY, APRIL 19, 1989

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
*Washington, DC.*

## MARITIME ORIENTED UNIFIED COMMANDS AND U.S. FORCES, KOREA

The committee met, pursuant to notice, at 9:04 a.m., Senator Sam Nunn (chairman) presiding.

Committee members present: Senators Nunn, Exon, Levin, Dixon, Warner, Thurmond, McCain, Wallop, and Gorton.

Committee staff members present: Arnold L. Punaro, staff director; Richard D. DeBobes, counsel; and Daniel G. Sakura, research assistant.

Professional staff members present: Richard D. Finn, Jr., Sherri W. Goodman, John J. Hamre, David S. Lyles, Michael J. McCord and William H. Smith.

Minority staff members present: Patrick A. Tucker, minority staff director and counsel; Romie L. Brownlee, deputy staff director; Brian D. Dailey, Jonathan L. Etherton, Judith A. Freedman, Ronald P. Kelly, George W. Lauffer and Mark B. Robinson, professional staff members.

Staff assistants present: Lori M. Jackson, Kelli J. Pronovost and Debra A. Rice.

Committee members' assistants present: Jeffrey B. Subko, assistant to Senator Exon; Kenneth N. Luongo, assistant to Senator Levin; William J. Lynn, assistant to Senator Kennedy; Charles C. Smith, assistant to Senator Dixon; Milton D. Beach, assistant to Senator Glenn; Jefferson B. Seabright, assistant to Senator Wirth; Terrence M. Lynch, assistant to Senator Shelby; C. Richard D'Amato, assistant to Senator Byrd; Anthony H. Cordesman, assistant to Senator McCain; Jack D. Crouch II, assistant to Senator Wallop; Robert M. Soofer, assistant to Senator Gorton; Charles Pearcy, assistant to Senator Lott; and Eric H. Thoemmes, assistant to Senator Coats.

### OPENING STATEMENT OF SENATOR SAM NUNN, CHAIRMAN

Chairman NUNN. The committee will come to order. The committee meets this morning to receive testimony from Adm. Huntington Hardisty, U.S. Navy, Commander in Chief, U.S. Pacific Command; Gen. Louis Menetrey, U.S. Army, Commander, U.S. Forces, Korea, and from Maj. Gen. Henry Stackpole III, U.S. Marine Corps, Director of Plans and Policies, U.S. Atlantic Command.

Major General Stackpole is representing Admiral Kelso, Commander in Chief, U.S. Atlantic Command, who is attending the nuclear planning group meeting in Europe this week, as was the case with General Galvin, yesterday.

On behalf of the committee I want to extend a warm welcome to each of you this morning. This committee is continuing our tradition of hearing from the commanders of the Unified and Specified Commands at the beginning of the budget process. Yesterday, the committee heard testimony from the U.S. European Command, U.S. Transportation Command, as well as U.S. Forces Command.

We have asked General Menetrey to appear in his capacity as a subordinate unified commander because of important developments on the Korean Peninsula. We have asked our three witnesses to testify on the military objectives in their area of responsibility, the capabilities of their forces to achieve them and the strategy that links those objectives and capabilities. We have also asked the witnesses to identify the critical operational deficiencies in their areas of responsibility and the priorities they have established for correcting these deficiencies.

The testimony from the combatant commanders helps the committee establish both the strategic framework as well as operational yard sticks for evaluating the budget request, which will be coming in the next couple of weeks. Because operational requirements and the extent to which the budget request meets them are addressed, the hearings with the combatant commanders begin the transition from our earlier strategy hearings to the budget hearings that will follow.

In addition to strategy and operational issues, the hearings provide the committee the opportunity to conduct oversight on implementation of the Goldwater-Nichols, Department of Defense Reorganization Act, which is, of course, of great concern to us. And we want to hear the views of each of you as to how that act is being implemented and how it is working from your perspective.

Although the strategy hearings which the committee conducted over the last couple of weeks on the implications of Soviet President Gorbachev's security and foreign policies were centered primarily on Europe, they have potential impact throughout the globe. The views of the war-fighting commanders on these issues and related operational matters will be of great interest to the committee.

Before we hear from our first witness, Admiral Hardisty, I will recognize the committee's distinguished ranking minority member, Senator Warner, for any comments he may have.

Senator WARNER. Thank you, Mr. Chairman. I join with you in welcoming these fine gentlemen who are representative of the quality that we have in the Armed Forces today. In his testimony last Friday, Admiral Crowe said that the Soviets are talking a good game, but they have not yet made significant reductions in their force structure or in their production rates.

Consequently, and I think, very wisely, he cautioned the United States against unwarranted optimism. He also said if U.S. forces abroad are redeployed then there will be an increased requirement for mobility and the forces which remain should be flexible and deployable. We will need more airlift and sealift to move these forces in an emergency and this, in turn will place greater emphasis on the naval and air forces required to defend the sea lanes of communication.

I share those views and I hope during the course of the day that, if any of you have amplification or perhaps a different perspective that you would address that. Thank you Mr. Chairman.

Chairman NUNN. Thank you, Senator Warner. We can go into a closed session if we need to. And we will wait and see the questions and whether you gentlemen feel that some of the answers would need to be answered in closed session. Our strong preference is to have as much open as possible.

We will continue until we have completed all of the open testimony before going into closed session, so if we have a closed session, it will be at the conclusion of the open session. If you see anything that comes up during the open session that you need to bring up in the closed session for more amplification in classified areas, we would welcome it. We do not, at this point, anticipate a closed session, but if necessary, we will have one.

Before we go any further, I would now like to have Senator Dixon's statement inserted for the record.

### PREPARED STATEMENT BY SENATOR ALAN J. DIXON

As part of our consideration of the 1990-1991 Defense budget, the committee continues to hear testimony concerning our military strategy and operational requirements for U.S. forces. Today, a distinguished panel of witnesses will address the strategies and requirements of United States maritime forces and United States forces responsible for defending our South Korean ally.

Yesterday, before this committee, the commanders in chief of the U.S. Forces Command and Transportation Command, plus the Deputy Commander of the U.S. European Command, testified that the lack of sealift transportation was a top concern. The commanders indicated that the current sealift capacity cannot adequately support our reinforcement or sustainability requirements for a conventional war in Europe. Yet, this is not a new problem; in fact, the Navy has been aware of the problem for quite sometime, but the problem still exists. Why? I share the frustration that my good friend Senator Kennedy expressed during the hearing yesterday: Why isn't sealift a top priority for the Navy?

Our relationship with South Korea, which is centered on our commitment to ensure that country's national security, is being strained by trade tensions and by growing Korean public opinion calling for United States forces to leave their country. According to a recent government public survey, 59.1 percent of the people of Korea stated that they favor a gradual withdrawal of United States forces. Furthermore, the United States is increasingly being faulted as having supported the previous authoritarian government.

These strains notwithstanding, the South Koreans still face a belligerent North Korea that has a strong military capability. The North Koreans continue to upgrade their forces with equipment from the Soviet Union, they have an outstanding special forces capability, and they have deployed their large army in forward positions near the demilitarized zone.

But the South Koreans themselves are a formidable adversary. Backed by an economy roughly four times the size of North Korea, South Korea—with our assistance—has been modernizing its forces and by doing so has reduced the quantitative advantage held by the North Koreans.

Our military strategy and appropriate levels of readiness, manpower, and support have kept the peace on the Korean Peninsula since 1953 and has enabled the South Koreans to build a strong economy and a capable military force. However, fiscal constraints are making it increasingly difficult for us to maintain our current military commitment. Considering the economic and military strength of South Korea, it would appear to me that we may be able to safely reduce our troop levels in South Korea.

While I am not convinced that we can reduce our forces in Korea, I do believe that we cannot live with a "hollow force." Instead of accepting lowered levels of readiness and support and slowed modernization programs, we have to explore ways to lower our forces to levels that can be appropriately funded while still maintaining the force structure needed to defend our national interests.

This committee faces difficult choices and we have another opportunity here today to hear testimony that will help our deliberations. I welcome our distinguished panel of witnesses, and I look forward to their testimony.

Chairman NUNN. Admiral, we are delighted to lead off with you this morning and we will have all of the witnesses present their statements before we start questions, so we are glad to have you.

## STATEMENT OF ADM. HUNTINGTON HARDISTY, COMMANDER IN CHIEF, U.S. PACIFIC COMMAND

Admiral HARDISTY. Thank you, Mr. Chairman. I appreciate the opportunity to discuss the status of the U.S. military in the Pacific. My opening remarks will briefly address our objectives, capabilities, strategy and the effect of the Goldwater-Nichols Act on my command.

Our military objectives mirror our national objectives in the Pacific to safeguard the United States, its allies, and Free world interests, to encourage and assist our allies in defending themselves, to ensure U.S. access to critical resources, to reduce Soviet military presence and to encourage changes within the Soviet Bloc by the presence of a strong U.S. military force in the Pacific; to prevent the transfer of militarily critical technology, to pursue equitable and verifiable arms reduction agreements, and to defend and advance the cause of democracy, freedom, and human rights throughout the world.

On force capabilities, to accomplish U.S. national objectives, the military forces in the Pacific are in very good shape. Lean, but effective in carrying out our mission. I have two Army divisions, two Marine expeditionary forces, two numbered fleets, and five tactical fighter wings. These forces amount to 17 percent of our Nation's military capability and their area of responsibility covers over 50 percent of the globe.

I am not without concerns, but overall, our force posture in the Pacific is solid. To reduce the cost of maintaining our forces, we are continuing to pursue opportunities for increased cost sharing with Korea and Japan. In the Pacific, the United States has the right forces to protect our national interest.

In the coming decade, our economic strength will be just as important as political relationships and military strengths, but U.S. military presence is key to the stability and security of the entire Pacific region. I do have valid requirements.

I want to protect my most valuable assets, people and readiness. The soldiers, sailors, airmen and marines, including our Coast Guard, in the Pacific, are the best I have ever seen during my military career. They must be protected with sufficient pay, proper medical care and a viable retirement program. I also need sufficient operating funds to ensure that exercises, steaming and flying hours are adequate for individual and unit confidence in our ability to accomplish the mission.

My top five fighting priorities are anti-submarine warfare, surveillance and intelligence, air warfare, strategic lift, and sustainability. I have worked hard during the past few weeks to make sure these priorities were considered as part of the amended fiscal year 1990 budget submission. And I ask you to support the administration's efforts to maintain a solid defense posture in an era of fiscal authority.

The Pacific military strategy is the way we intend to use our military capabilities to achieve our objectives. Deterrence for defense and strong allies are the fundamentals of our military strategy. In the Pacific, we have specific theater strategies in both peacetime and war fighting strategies. Our peacetime strategies support the development of strong relations through cooperative effort with our allies and friends in the region.

Security assistance, title 10 support, disaster relief efforts, military education, under IMET programs and multicountry seminars are all part of this peacetime strategy and very important to it. Our warfighting strategy takes advantage of flexible forward deployed forces that can bring air and maritime superiority to bear in the Pacific. This strategy calls for early positioning of forces for deterrence and if necessary, strike to destroy and neutralize Soviet war-fighting capabilities.

This capability can make a difference in the global scenario and certainly the Pacific can hold Soviet forces in place. Today, U.S. forces provide for regional stability to protect our interests. My assessment of the situation in the Pacific is that major reduction in force structure prior to reassessment of our national strategy would weaken our flexibility and reduce allied confidence in our resolve to honor our commitments.

General Secretary Gorbachev has announced his intention to reduce Soviet ground forces on the Sino-Soviet border. While we welcome this proposal, our primary concern is the Soviet naval and air forces. These forces have qualitatively improved since Secretary General Gorbachev started force reduction rhetoric in 1986.

The improvements include enhanced submarine capability with deployment of new Delta ballistic submarines and cruise missile equipped Akura attack submarines; improved basing facilities at Cam Rahn Bay, the deployment of the road mobile SS–25 missile; deployment of fourth generation fighter aircraft, and deployment of enhanced long range strike bombers carrying air launch cruise missiles. As a war-fighting CINC, I deal in realities.

Mr. Gorbachev has yet to implement his specific force reduction initiatives, therefore, this is not the time for us to reduce our forces unilaterally. If the General Secretary is interested in regional stability, I would urge that he execute his initiatives and use his influence to help in the continuing strife in Cambodia, to lessen the tensions between North and South Korea, and to resolve the dispute with Japan over the Southern Kuril Islands.

On Goldwater-Nichols: Many positive changes have resulted from the Goldwater-Nichols Act. Two weeks ago, I participated with the Secretary of Defense and the other unified commanders in the Defense Resources Board deliberations on the amended budget. Goldwater-Nichols has also strengthened my command authority and my influence on budgetary and personnel issues.

I have noted an increase in the caliber of officers being assigned to my command. And their promotion rates have improved. Overall I am pleased with the impact of Goldwater-Nichols.

In conclusion, the services have done an excellent job in reviewing the budget and the CINC's voices were heard throughout the process. Our national security strategy is under review. Certainly we can make changes and adjustments in our commitments and if necessary, in our forces. But we should do this in a smart way as a result of the present strategy review.

Overall I feel comfortable with developments in our theater. I see our current posture as reassuring to our friends and allies. I am aware of the budgetary pressures we face, and I stand ready to help support efforts to reduce the deficit while preserving a strong secure nation. Thank you Mr. Chairman.

[The prepared statement of Admiral Hardisty follows:]

## STATEMENT OF ADMIRAL HUNTINGTON HARDISTY
## COMMANDER IN CHIEF, U. S. PACIFIC COMMAND

MR. CHAIRMAN:

I APPRECIATE THE OPPORTUNITY TO BE HERE TODAY TO TALK ABOUT THE U. S. PACIFIC COMMAND. THIS IS MY FIRST APPEARANCE BEFORE YOU AS COMMANDER IN CHIEF.

I LOOK FORWARD TO A PRODUCTIVE RELATIONSHIP WITH YOU, MR. CHAIRMAN, AND WITH THE DISTINGUISHED MEMBERS OF YOUR COMMITTEE. WE ALL SHARE AN ABIDING CONCERN IN PRESERVING AMERICA'S VITAL INTERESTS IN THE PACIFIC. OUR MILITARY FORCES IN THE PACIFIC HELP MAINTAIN GLOBAL PEACE AND SECURITY OF THE REGION THROUGH THE MAINTENANCE OF A CREDIBLE DETERRENT POSTURE. THIS DETERRENT POSTURE IS BASED ON A PROVEN STRATEGY OF MAINTAINING REGIONAL INFLUENCE AND ACCESS THROUGH FORWARD DEPLOYMENT AND HIGH FORCE READINESS.

NOW, AS ALWAYS, WE NEED TO ENSURE THAT OUR MILITARY FORCES IN THE PACIFIC REMAIN READY, SUSTAINABLE, AND APPROPRIATELY SIZED TO FULFILL OUR WIDE-RANGING SECURITY RESPONSIBILITIES IN THIS, THE FASTEST DEVELOPING REGION IN THE WORLD.

CLEARLY, THERE ARE IMPORTANT NEW FACTORS AT WORK IN THE INTERNATIONAL ENVIRONMENT. THESE INCLUDE UNPRECEDENTED PROPOSALS FOR ARMS CONTROL, THE GROWING NEED TO DEAL WITH OUR NATIONAL DEFICIT, AND A WORLD IN WHICH I BELIEVE ECONOMIC FACTORS WILL WEIGH HEAVILY IN THE CONTINUING APPRAISAL OF OUR NATIONAL SECURITY POLICIES AND OBJECTIVES.

## INTRODUCTION

I WOULD LIKE TO FOCUS MY REMARKS ON THE INCREASING CHANGE OCCURRING IN THE PACIFIC STRATEGIC ENVIRONMENT, THE PERCEPTION OF REDUCED THREAT TO PEACE AND STABILITY IN THE AREA, WHAT I BELIEVE THE U. S. SECURITY POSTURE IN THIS PART OF THE WORLD SHOULD BE, AND WHAT MY PREFERRED COURSES OF ACTION ARE.

AS YOU WELL KNOW, THE PACIFIC TODAY IS A DYNAMIC REGION UNDERGOING BROAD CHANGE. ALTHOUGH THE U. S.-USSR MILITARY BALANCE STILL PREDOMINATES, THE CONTINUED DEVELOPMENT OF REGIONAL AND SUB-REGIONAL POWERS SUCH AS JAPAN, CHINA, INDIA, AND SOUTH KOREA IS SHIFTING THE BALANCE TOWARD A MULTIPOLAR SECURITY ENVIRONMENT.

ALSO, THE IMPRESSIVE GROWTH OF SELECTED PACIFIC NATIONS HAS CHANGED THE ECONOMIC DYNAMIC, NOT JUST IN THE PACIFIC, BUT GLOBALLY. THE REALITY IS THAT JAPAN HAS REPLACED THE UNITED STATES AS THE WORLD'S PREEMINENT CREDITOR NATION AND EMERGED AS THE PRINCIPAL SOURCE OF INTERNATIONAL CAPITAL. SOME OF OUR ALLIES AND CLOSE FRIENDS, ONCE ECONOMICALLY DEPENDENT ON US, ARE NOW AMONG OUR MOST VIGOROUS ECONOMIC COMPETITORS. THIS HAS PRODUCED NEW AND DIFFERENT PRESSURES WITHIN OUR ALLIANCE NETWORK AS THE ECONOMIC AGENDA RATHER THAN ON POLITICAL-MILITARY ISSUES RECEIVES EMPHASIS.

IN ADDITION, POLITICAL CHANGE IS ALTERING THE CHARACTER OF MANY REGIMES AS SOCIETIES ARE BECOMING MORE OPEN AND POPULAR PRESSURE FOR MORE DEMOCRATIC GOVERNMENTS MOUNTS. THE ATTEMPTS AT POLITICAL REFORM IN BURMA AND THE SUCCESS OF STRENGTHENING DEMOCRACIES IN THE PHILIPPINES AND SOUTH KOREA ARE SALIENT EXAMPLES. WHILE THIS WELCOME CHANGE CAN LEAD TO MORE OPEN

SOCIETIES, IT CAN ALSO SPARK RENEWED NATIONALISM THAT SOMETIMES MANIFESTS ITSELF AS HOSTILITY TOWARD THE U. S.

FURTHERMORE, THE REDUCTION IN REGIONAL CONFLICT SUCH AS THE CEASE-FIRE IN THE PERSIAN GULF, THE SOVIET WITHDRAWAL FROM AFGHANISTAN, AND THE SEARCH FOR A SOLUTION TO THE CAMBODIAN TRAGEDY ADD TO THE PERCEPTION THAT PEACE AND STABILITY HAVE ARRIVED THROUGHOUT THE PACIFIC AND INDIAN OCEAN REGIONS.

WHILE THE PROSPECT FOR REDUCTION OF SUPERPOWER TENSION OFFERS THE OPPORTUNITY FOR A MORE STABLE AND CONSTRUCTIVE DIALOGUE WITH THE SOVIET UNION, THE CONCERN, OF COURSE, IS THAT AN AIR OF UNWARRANTED COMPLACENCY WILL DEVELOP AMONG SOME OF OUR ALLIES AND FRIENDS WHO MAY BE LOOKING FOR WAYS TO REDUCE THE COST OF FUNDING THEIR SECURITY.

## THE THREAT

THE DOMINANT FOCUS IN WORLD GEO-STRATEGIC ACTIVITY IS THE APPARENT MOVEMENT TOWARD CHANGE IN THE SOVIET UNION. THIS MOVEMENT IS WELCOME AND GIVES THE APPEARANCE, SO FAR, OF HAVING SOME SUBSTANCE. BUT WE CANNOT YET BE CERTAIN WHAT IT MEANS FOR THE LONG TERM. THERE ARE SERIOUS AND PERVASIVE PROBLEMS THROUGHOUT THE SOVIET AND WARSAW PACT BLOC FOR WHICH THERE ARE NO SHORT TERM SOLUTIONS - ETHNIC UNITY, ECONOMIC PRODUCTIVITY, THE ROLE OF LABOR, AND THE COST OF THE MILITARY. WHILE GENERAL SECRETARY GORBACHEV APPEARS TO HAVE FOUND SOME SUPPORT FROM WITHIN THE SOVIET UNION FOR HIS ATTEMPTS AT REFORM, IT IS TOO SOON TO PREDICT THE RESULTS OR WHAT ALTERNATIVE COURSES OF ACTION COULD ENSUE. HOPEFULLY, THESE POSITIVE CHANGES, ALTHOUGH GORBACHEV-INITIATED, WILL HAVE AN IMPETUS THAT TRANSCENDS THE EFFORTS OF ONE INDIVIDUAL, EVEN IF GORBACHEV IS REPLACED. IN

ORDER TO ATTAIN ECONOMIC LEVERAGE ABROAD AND SOCIAL STABILITY AT HOME, THE SOVIETS MUST DEAL WITH THE SET OF PROBLEMS INHERENT IN THEIR DOCTRINE NO MATTER WHO THEIR INCUMBENT GOVERNMENT LEADER IS.

WHILE SIGNIFICANT STRATEGIC CHANGES HAVE NOT YET OCCURRED, THE SHIFT IN SOVIET AIMS IN THE PACIFIC CAN BE PERCEIVED THROUGH CAREFUL STUDY OF SEVERAL RECENT ANNOUNCEMENTS, AMONG THEM GORBACHEV'S SPEECHES AT VLADIVOSTOK IN JULY 1986, AT KRASNOYARSK IN JULY 1988, AND AT THE UNITED NATIONS IN DECEMBER 1988.

THESE STATEMENTS HAVE A COMMON THREAD: THE SOVIET UNION IS COMMITTED TO BE A PACIFIC POWER BUT RECOGNIZES THAT IT CANNOT ACHIEVE THAT GOAL THROUGH MILITARY STRENGTH ALONE. GORBACHEV'S PACIFIC SECURITY PROPOSALS AND ANNOUNCED 200,000-MAN FORCE REDUCTIONS IN THE FAR EAST APPEAR AIMED AT CHANGING THE PERCEPTIONS OF COUNTRIES IN THE PACIFIC ABOUT A SOVIET MILITARY THREAT. BY PRESENTING A MORE BENIGN APPEARANCE TO THE REGION, MOSCOW SEEKS TO ENCOURAGE THE BELIEF THAT SECURITY AGREEMENTS WITH THE U. S. ARE NO LONGER NECESSARY.

WHAT MUST BE SCRUTINIZED ARE CAPABILITY AND INTENT. WHILE MANY OF THE NEWLY APPOINTED SENIOR MILITARY LEADERS IN THE SOVIET UNION HAVE WRITTEN ON THE INTENT TO DEVELOP THE SOVIET FORCE STRUCTURE ON THE PRINCIPLE OF "DEFENSIVE SUFFICIENCY" AND WHILE THERE HAS BEEN SOVIET CRITICISM OF THE U. S. FOR NOT PARALLELING SOVIET FORCE REDUCTION PROPOSALS WITH OUR OWN INITIATIVE, TO DATE THERE HAVE BEEN NO SPECIFIC CHANGES IN SOVIET COMBAT CAPABILITIES IN THE PACIFIC.

WHAT IS CLEAR IS THAT THE SOVIET LEADERSHIP IS MOVING AHEAD DILIGENTLY WITH INTERNAL QUALITATIVE IMPROVEMENTS WHILE EXTERNAL ATTENTION SEEMS FOCUSED ON QUANTITATIVE REDUCTIONS.

REAL WORLD IMPROVEMENTS SINCE MID-1986 INCLUDE: OVERALL ENHANCED SUBMARINE CAPABILITY BY SWAPPING OUT OLDER SHORT-RANGE YANKEE SUBS FOR LONG-RANGE TECHNOLOGICALLY ADVANCED DELTA AND AKULA CLASSES; ADDING THREE DIVISIONS TO THE EASTERN THEATER; IMPROVED FORWARD BASING FACILITIES AT CAM RANH BAY; DEPLOYMENT OF THE ROAD MOBILE SS-25 MISSILE REPLACING THE INF-TREATY DRAWDOWN OF SS-20'S; DEPLOYMENT OF MIG-31 FIGHTERS, WHICH HAVE DOUBLE THE OPERATING RANGE OF THE AIRCRAFT THEY REPLACE; UPGRADING LONG-RANGE STRIKE BOMBERS CARRYING AIR-LAUNCHED CRUISE MISSILES; AND INSTALLATION OF SOPHISTICATED COMMAND AND CONTROL SYSTEMS. THE SIGNIFICANT POINT TO BE MADE IS THAT THESE IMPROVEMENTS IN CAPABILITY HAVE HAPPENED SINCE THE JULY 1986 VLADIVOSTOK SPEECH, IN WHICH GORBACHEV CALLED FOR REDUCED FORCE LEVELS AND REDUCED MILITARY PRESENCE. GRANTED, SOME OF THIS CAN BE ATTRIBUTED TO PURE MOMENTUM OF THE MILITARY-INDUSTRIAL COMPLEX, BUT WE MUST CONTINUE TO BE COGNIZANT OF CAPABILITY IRRESPECTIVE OF THE STATED INTENT.

THIS NEW STRATEGY OF DEFENSIVE SUFFICIENCY APPEARS TO BE A STRATEGY OF ECONOMIC NECESSITY. THE USSR NEEDS TO FIND WAYS TO RELEASE THE EASTERN EUROPEAN AND SOVIET ECONOMIES FROM THE CRUSHING BURDEN OF SUPPORTING THEIR OWN AND SURROGATE MILITARY FORCES.

GORBACHEV'S INITIATIVES TO REDUCE UNILATERALLY FORCES IN THE EUROPEAN THEATER WILL SEVERELY TEST THE SOLIDARITY OF THE NATO ALLIANCE. THERE WILL BE NUMEROUS PLANS EMERGING AIMED AT THINNING MILITARY FORCES IN CENTRAL EUROPE AS GORBACHEV SUCCESSFULLY PERSUADES WESTERN EUROPEANS THAT THEY NEED NOT BE CONCERNED OVER SOVIET INTENTIONS. LIKEWISE, IT IS CONCEIVABLE THAT HE WILL ANNOUNCE MAJOR GROUND FORCE REDUCTIONS FROM THE EASTERN THEATER AT THE UPCOMING SINO-SOVIET SUMMIT. REDUCTIONS COULD EVEN INCLUDE THE DRAWDOWN OF THEIR BASE AT CAM RANH BAY.

THIS WOULD INEVITABLY BE FOLLOWED BY ATTEMPTS TO SWAY WORLD OPINION AGAINST U. S. PRESENCE IN THE PACIFIC, IN PARTICULAR U. S. AIR AND NAVAL FORCES IN THE PHILIPPINES.

WE CAN TAKE JUSTIFIABLE PRIDE IN THE FACT THAT THE POSITIVE CHANGES UNDERWAY IN THE SOVIET UNION, PLUS THE SUCCESS STORIES IN NORTHEAST AND SOUTHEAST ASIA, HAVE BEEN A RESULT OF OUR NATIONAL EFFORTS OVER THE PAST FOUR DECADES -- IN COORDINATION WITH OUR ALLIES AND FRIENDS -- TO PROVIDE REGIONAL STABILITY AND A SAFE CLIMATE FOR POLITICAL AND ECONOMIC DEVELOPMENT.

THIS IS AN IMPORTANT REALITY. WHAT WE SET OUT TO DO IN ASIA THROUGH MANY ADMINISTRATIONS SINCE WORLD WAR II WE HAVE SUCCESSFULLY DONE--BEYOND OUR GREATEST EXPECTATION. AS WE DEVELOP OUR NATIONAL POLICIES FOR THE FUTURE, WE MUST ENSURE THAT WE ACT PRUDENTLY IN MAKING ADJUSTMENTS, AND SEEK CONSENSUS WITH OUR SECURITY PARTNERS IN THE REGION ON ANY CHANGES IN OUR SECURITY ARRANGEMENTS.

## U. S. PACIFIC STRATEGY

IN VIEW OF THE FOREGOING, WHAT SHOULD BE OUR MILITARY STRATEGY? WHAT IS NEEDED TO ENSURE THAT OUR NATIONAL AND SECURITY INTERESTS REMAIN PROTECTED? IN MY VIEW, PRECIPITOUS ACTIONS ARE UNWARRANTED. WE SHOULD CONSIDER A SHIFT IN EMPHASIS, BUT NOT A CHANGE IN LEVEL OF EFFORT.

WE HAVE A COMPREHENSIVE AND ACTIVE PEACETIME STRATEGY WORKING ACCESS AND INFLUENCE IN THE PACIFIC AND INDIAN OCEAN REGIONS. IN MACRO TERMS, THE ULTIMATE PEACETIME STRATEGY IS HAVING THE MAJORITY OF THE COUNTRIES IN OUR CAMP, OR TO EXPRESS

IT ANOTHER WAY, ENSURING THAT THE UNITED STATES IS OPTIMALLY POSTURED IF WE HAVE TO TRANSITION TO WAR. IF OUR ACCESS AND INFLUENCE TRANSLATES INTO INCREASED COOPERATION WITH OUR FRIENDS AND ALLIES IN SHARED GOALS, WE HAVE ACHIEVED THE DESIRED RESULT.

AS A COMPETITIVE STRATEGY, OUR PEACETIME STRATEGY IN THE PACIFIC IS UNIQUE. THE U. S. HOLDS A SIGNIFICANT ADVANTAGE OVER THE SOVIET UNION IN TERMS OF ABILITY TO PARTICIPATE IN REGIONAL ACTIVITIES, FROM TRADE TO NATION-BUILDING TO JOINT TRAINING EXERCISES. WE MUST NOT OVERLOOK THE GREAT OPPORTUNITY AVAILABLE TO US TO EXPLOIT THIS ADVANTAGE.

IN THE PACIFIC WE ARE IN A VERY DIFFERENT SITUATION FROM OUR EUROPEAN COUNTERPARTS, WHERE TWO MAJOR CONTINENTAL ALLIANCES FACE OFF AT THE INTERGERMAN BORDER. IN MY AREA OF RESPONSIBILITY, THERE ARE NEITHER THE LARGE STRUCTURED ALLIANCES NOR THE COMMON POWER BASE. IN THE PACIFIC, NEARLY ALL OUR SECURITY RELATIONSHIPS ARE BILATERAL, REQUIRING A MULTIFACETED APPROACH TO ACHIEVE OUR STRATEGIC GOALS.

WE AND THE SOVIETS DIFFER GREATLY IN THE NATIONAL POWER THAT IS THE BASIS FOR STRENGTH AND LEADERSHIP. WHILE THE UNITED STATES IS A MARITIME POWER, THE SOVIET UNION IS PRIMARILY A CONTINENTAL POWER. OUR STRENGTH AND ABILITY TO PROTECT OUR MARITIME INTERESTS IN PART EXPLAINS WHY THE SOVIETS SEEK TO EXPAND AND MODERNIZE THEIR PACIFIC FLEET. IN MY OPINION, THE SOVIET UNION CAN AFFORD TO PROPOSE REDUCTIONS IN ITS MASSIVE CONTINENTAL LAND FORCES IN SUCH AREAS AS MONGOLIA AND ALONG THE SINO-SOVIET BORDER BECAUSE THEY ENJOY AN OVERWHELMING FIREPOWER AND MOBILITY ADVANTAGE IN THESE FORCES. IT SHOULD BE NOTED THAT THESE PROPOSED REDUCTIONS DO NOT ADDRESS THE THREAT TO OUR FORCES FROM THE SOVIETS' LONG-RANGE NAVAL AIR AND SUBMARINES.

WHILE U. S. PACIFIC FORCES MUST BE FULLY CAPABLE TO COPE WITH A SOVIET ADVERSARY, THEY ALSO SERVE OTHER CRITICALLY IMPORTANT NATIONAL SECURITY OBJECTIVES IN THE REGION. THESE INCLUDE:

- MAINTAINING ACCESS TO FORWARD LOCATIONS, THEREBY GIVING US THE FLEXIBILITY NOT ONLY TO PURSUE REGIONAL GOALS, BUT ALSO TO SERVE STRATEGIC U. S. PURSUITS, SUCH AS OUR SUCCESSFUL EFFORT IN THE PERSIAN GULF. THAT TASK WOULD HAVE BEEN MUCH MORE DIFFICULT WITHOUT THE ACCESS WE NOW ENJOY ACROSS THE PACIFIC AND INDIAN OCEANS.

- BOLSTERING CONFIDENCE IN THE UNITED STATES AS A RELIABLE ALLY. SEVEN OF OUR TEN SECURITY COMMITMENTS ARE IN THE PACIFIC. OUR CONSTANCY IN THE PAST HAS BEEN IMPORTANT TO THESE GOVERNMENTS; THEY DEPEND ON WHAT WE HAVE PROMISED TO DO. SOME SEE US AS THE ROLE MODEL, STRUCTURING THEIR OWN FORCES ALONG OUR LINES IN ORDER TO BE INTEROPERABLE AND TACTICALLY COMPATIBLE WITH U. S. METHODS OF OPERATION. THE RESULT HAS BEEN AN EXPANDING ACCEPTANCE OF THE U. S. AS A TRUSTED ALLY.

- SERVING AS AN HONEST BROKER TO MAINTAIN A REGIONAL BALANCE OF POWER. OUR PRESENCE SERVES NOT ONLY AS A CHECK AGAINST SOVIET AMBITIONS, BUT ALSO HELPS TO MAINTAIN AN EQUILIBRIUM AMONG VARIOUS REGIONAL AND SUB-REGIONAL POWERS WHO ARE PURSUING THEIR RESPECTIVE NATIONAL INTERESTS.

- PROTECTING CRITICAL SEA LINES OF COMMUNICATION. OUR PRESENCE AND OPERATING FLEXIBILITY THROUGHOUT THE AREA ENSURE THE FREE FLOW OF COMMERCE AND TRADE AND PROVIDE FOR FREEDOM OF NAVIGATION. ANY POTENTIAL ADVERSARY KNOWS THAT ADVERSE ACTIONS THAT COULD THREATEN LIFELINES OF ECONOMIC ACTIVITY WILL BE

CONTESTED AND SUCCESSFULLY COUNTERED. THIS ENVIRONMENT HELPS TO CREATE ECONOMIC PROSPERITY AND POLITICAL STABILITY, INCLUDING THE GROWTH OF DEMOCRACIES. IN MY VIEW, HISTORY WILL CONCLUDE THAT WITHOUT OUR PAST MILITARY PRESENCE AND SUPPORT, IT WOULD BE A VERY DIFFERENT ASIA TODAY.

- FINALLY, AND PERHAPS MOST IMPORTANTLY, U. S. STRENGTH IN THE PACIFIC HAS BEEN AND CONTINUES TO BE A MAJOR DETERRENT TO SOVIET AGGRESSION IN CENTRAL EUROPE. THE SUCCESS OF OUR PEACETIME STRATEGY, THE SELF-SUFFICIENCY OF OUR PACIFIC FRIENDS AND ALLIES VIS-A-VIS THOSE OF THE USSR, DEMONSTRATED RESOLVE, AND READY U. S. FORCES SEND A CLEAR SIGNAL TO THE SOVIETS THAT WE NOT ONLY CAN FORCE THEM INTO A TWO-FRONT WAR, BUT CAN WIN ON THE PACIFIC FRONT. WE HAVE ACHIEVED THIS ADVANTAGEOUS POSTURE WHILE IN AN ECONOMY OF FORCE ROLE. WHILE THE VAST MAJORITY OF U. S. FORCES HAVE FOCUSED ON CENTRAL EUROPE, WE HAVE SECURED THE BACK DOOR.

IN SUM, EVEN IF THE SOVIET MILITARY THREAT SHOULD LESSEN IN THE FUTURE, OUR FORCES ARE FUNDAMENTAL TO THE FUTURE GROWTH AND SECURITY OF THE MOST DYNAMIC REGION IN THE WORLD. WE WILL BE ABLE TO EXPLOIT OUR COMPARATIVE ADVANTAGE BY CONCENTRATING OUR SUPPORT FOR THE KEY PROGRAMS, SOME RELATIVELY SMALL, THAT HELP US MAINTAIN OUR ACCESS AND INFLUENCE IN THE PACIFIC.

WITHIN THIS IMPORTANT FRAMEWORK, WHAT I SEE FOR THE NEAR TERM IN THE PACIFIC IS:

- MOVEMENT TOWARD DIMINISHED SECURITY TENSIONS IN THE REGION CHARACTERIZED BY A REDUCED SOVIET MILITARY ROLE IN FAVOR OF INCREASED DIPLOMATIC, POLITICAL AND ECONOMIC ACTIVITY. FOR EXAMPLE, SINO-SOVIET RAPPROCHEMENT COULD BE A KEY CONTRIBUTING

FACTOR IN STIMULATING A MAJOR REASSESSMENT BY BOTH GOVERNMENTS TO SEEK INVESTMENT OPPORTUNITIES IN AREAS PREVIOUSLY DENIED OR CONSIDERED TOO RISKY.

- THE POTENTIAL FOR MOSCOW'S REGIONAL CLIENTS SUCH AS VIETNAM AND NORTH KOREA TO BECOME MORE INTERESTED IN NEW OVERTURES FROM THE WEST, PROVIDING NEW OPPORTUNITIES TO DRAW THESE NATIONS INTO STEP WITH THE MAJORITY IN THE AREA.

- SOME CONCERN OVER THE GROWING MILITARY POWER PROJECTION CAPABILITY OF INDIA.

- SOUTHEAST ASIA COULD ENJOY THE GREATEST STABILITY IN MEMORY IF THE VIETNAMESE WITHDRAWAL FROM CAMBODIA OCCURS AS PROMISED AND A SATISFACTORY COALITION GOVERNMENT CAN BE FORMED. THERE WILL BE INCREASED ECONOMIC INTEGRATION IN SOUTHEAST ASIA BASED ON INFUSION OF JAPANESE CAPITAL.

- THE CONTINUED RISE IN IMPORTANCE OF NORTHEAST ASIA, ECONOMICALLY, POLITICALLY, AND EVEN MILITARILY. WHILE 36 PERCENT OF ALL U. S. FOREIGN TRADE WAS WITH ASIAN-PACIFIC NATIONS IN 1988, OVER TWO-THIRDS OF THAT TOTAL WAS CONCENTRATED IN JAPAN, THE REPUBLIC OF KOREA, AND CHINA. AMERICA'S ECONOMIC TIES WITH NORTHEAST ASIA WILL CONTINUE TO GROW IN IMPORTANCE AND WE CAN EXPECT U. S. POLITICAL AND MILITARY POLICIES TO BE CLOSELY LINKED WITH THE ECONOMIC HEALTH OF THESE KEY FRIENDS AND ALLIES.

- EMERGENCE OF NEW CONTENTIOUS ISSUES SUCH AS ECONOMIC, TRADE, ENVIRONMENTAL, AND TECHNOLOGICAL MATTERS THAT MAY STRAIN RELATIONS BETWEEN GOVERNMENTS.

- INCREASED EXPRESSIONS OF NATIONALISM THAT COULD PROMPT

REEXAMINATION BY THE LOCAL POPULATION OF THE NEED FOR U. S. PRESENCE IN OVERSEAS BASING COUNTRIES.

- AND FINALLY, RENEWED DEBATE IN SOME OF THE LEGISLATURES OF REGIONAL ALLIES AND FRIENDS REGARDING THE NEED FOR THEIR CURRENT LEVEL OF BUDGETARY SUPPORT FOR SECURITY IN THE REGION.

ALL IN ALL, THE NEAR TERM IS A MAJOR CHALLENGE FOR US TO MAINTAIN THE SUCCESSES OF THE PAST AND CONSOLIDATE OUR GAINS FOR THE FUTURE. WHAT IS HAPPENING IN THE SOVIET UNION OR WHERE IT WILL LEAD IS NOT YET CLEAR. BECAUSE OF GENERAL SECRETARY GORBACHEV'S GREAT PERSONAL POPULARITY AND IMPRESSIVE REFORM AGENDA, THERE ARE SOME WHO THINK THAT THE COLD WAR IS OVER AND PEACE IS ASSURED, WHEN IN FACT IT IS STILL ONLY A POSSIBILITY. NOW IS NOT THE TIME TO DISMANTLE THE STRUCTURE THAT HAS BEEN RESPONSIBLE FOR THE REMARKABLE SUCCESS OF THE PAST FOUR DECADES. NOW IS NOT THE TIME TO FORFEIT THE ADVANTAGE WE HAVE APPLIED IN THE PACIFIC SO SUCCESSFULLY IN OUR PEACETIME STRATEGY. GORBACHEV NEEDS TO BE TESTED TO DETERMINE THE DEPTH OF THE SOVIET COMMITMENT TO A MORE STABLE AND CONSTRUCTIVE RELATIONSHIP BETWEEN THE SUPERPOWERS. UNTIL THE RESULTS OF THAT TESTING ARE CLEAR, PRUDENCE DEMANDS THAT WE KEEP UP OUR GUARD.

ALSO, WE SHOULD INTENSIFY OUR DIALOGUE WITH OUR ALLIES AND FRIENDS TO ARRIVE AT A COMMON UNDERSTANDING OF THE NATURE OF THE SECURITY THREAT IN THE PACIFIC TODAY. WE SHOULD MAKE THE POINT TO OUR REGIONAL PARTNERS THAT SECURITY IS MORE THAN PROTECTION FROM AN INVADING FORCE, IT IS A MUCH BROADER CONCEPT THAT PERTAINS TO A NATION'S ECONOMIC, SOCIAL, AND POLITICAL WELL-BEING. SECURITY IS A STATE OF MIND.

## COURSES OF ACTION

MY PREFERRED COURSES OF ACTION BASED ON THIS PERSPECTIVE OF THE PACIFIC ARE FIRST, TO HOLD STEADY AS SHE GOES. WE HAVE A SUCCESSFUL STRATEGY, AND WE HAVE THE RESULTS TO PROVE IT. WE SHOULD CONTEMPLATE CHANGES WITH CARE, UNDERTAKING ADJUSTMENTS ONLY IN CLOSE CONSULTATIONS WITH OUR FRIENDS AND ALLIES.

WE MUST MAINTAIN CAPABILITIES CONSISTENT WITH THE CAPABILITIES OF POTENTIAL ADVERSARIES. SHOULD THEIR INTENT CHANGE, OUR DETERRENT STRENGTH MUST BE SUFFICIENT TO COUNTER ANY THREAT.

WE MUST MAINTAIN A CAREFULLY CALCULATED LEVEL OF READINESS THAT FLOWS FROM OPERATIONS AND MAINTENANCE FUNDING AS WELL AS OUR EXERCISE PROGRAM. WITH SUFFICIENT FUNDING TO SUSTAIN A CREDIBLE MILITARY FORCE AND WITH THE INCREASED CAPABILITIES OF ADVANCED TECHNICAL SYSTEMS, WE CAN CARRY OUT OUR COMMITMENTS AND INSPIRE CONFIDENCE AND COOPERATION THROUGHOUT THE REGION.

BECAUSE OF CHANGES IN THE REGION AND THE GROWING PERCEPTION THAT SUPERPOWER TENSIONS ARE INDEED DECREASING, WE WILL NEED IMPROVED INDICATIONS AND WARNING SYSTEMS TO DETECT ANY TACTICAL MOVES THAT MAY SIGNAL POTENTIAL CONFRONTATION. IN THIS REGARD, EARLY TACTICAL WARNING TO BE PROVIDED BY THE RELOCATABLE OVER-THE-HORIZON RADAR PROGRAM IS INTEGRAL TO MY STRATEGY. I ASK YOUR SUPPORT IN THE BUDGET FOR THE NEAR AND MID TERM.

WE MUST NOT OVERREACT IN RESPONSE TO SOVIET FORCE REDUCTION INITIATIVES IN THE FAR EAST THEATER. THEY ARE A CONTINENTAL POWER, AND OFFERS TO DRAWDOWN SIGNIFICANT LAND-BASED FORCES WILL BENEFIT THE PEOPLE'S REPUBLIC OF CHINA, BUT HAVE LITTLE OR NO

EFFECT ON RELEVANT U. S.-USSR FORCE RATIOS. TRADING SOVIET DIVISIONS FOR U. S. PACIFIC MARITIME FORCES MUST BE AVOIDED. WITH RESPECT TO RELATIVE LAND FORCES, THE 2D INFANTRY DIVISION, THE ONLY U. S. DIVISION ON THE ASIAN CONTINENT, IS MORE THAN AN AUGMENTATION TO THE REPUBLIC OF KOREA FORCES. IT REPRESENTS AMERICA'S WILL AND COMMITMENT TO ALLIES.

HOWEVER, SHOULD IT BE DETERMINED AT A FUTURE TIME THAT IT IS IN THE BEST INTERESTS OF OUR ALLIANCES IN THE PACIFIC TO MAKE FORCE ADJUSTMENTS, STRATEGIC MOBILITY COUPLED WITH A RELIABLE COMMAND AND CONTROL SYSTEM BECOME CRITICAL IN RETURNING OUR FORCES QUICKLY AS A DEMONSTRATION OF OUR COMMITMENT AND AS AN ADDITIONAL DETERRENT TO COMMENCEMENT OF HOSTILITIES. THE C-17 IS A PRIME EXAMPLE OF AN ONGOING STRATEGIC MOBILITY PROGRAM THAT SHOULD REMAIN FUNDED. ANOTHER ESSENTIAL INGREDIENT IN STRATEGIC MOBILITY, ESPECIALLY IN THE PACIFIC, IS THE SEALIFT ENHANCEMENT PROGRAM, WHICH WILL TEMPORARILY MODIFY CONTAINER SHIPS TO CARRY UNIT EQUIPMENT.

THE SOVIET UNION IS PUTTING EFFORT INTO IMPROVED ANTISUBMARINE WARFARE, BOTH ACOUSTIC AND NONACOUSTIC. WE MUST CONTINUE TO PROTECT OUR STRENGTH IN THIS AREA WITH THE SSN-21 PROGRAM, OUR LONG-RANGE PROTECTION TO INSURE THIS UNDERSEA CAPABILITY.

IN THIS NEW ENVIRONMENT WE NEED RENEWED EMPHASIS IN OUR EFFORT TO SUSTAIN U. S. INFLUENCE AND ACCESS, TO PROMOTE STABILITY AND NATION-BUILDING IN THE REGION, AND TO REDUCE THE RISK OF LOW INTENSITY CONFLICT. THIS CAN BE DONE BY THE MANY IMPORTANT PROGRAMS UNDER OUR PACIFIC PEACETIME STRATEGY: CIVIC ACTIONS; HUMANITARIAN ASSISTANCE; TITLE 10; COMBINED EXERCISES; PORT VISITS; INTERNATIONAL MILITARY EDUCATION FUNDS. SINCE THE SOVIETS ARE NOT COMPETING EFFECTIVELY WITH US IN THESE ENDEAVORS, WE SHOULD PRESS THE ADVANTAGE WE NOW HOLD.

SECURITY ASSISTANCE FUNDING IS AN ESSENTIAL COMPONENT OF OUR EFFORTS TO STRENGTHEN RELATIONSHIPS WITH KEY FRIENDS AND ALLIES AND ENSURE BASING ACCESS. THE SEVERE REDUCTION IN SUCH FUNDING IN RECENT YEARS IS A SERIOUS BLOW TO THE PEACETIME STRATEGY. WE NEED TO RESTORE ADEQUATE LEVELS OF SECURITY ASSISTANCE AS SOON AS POSSIBLE.

TITLE 10, WHILE MODESTLY FUNDED, IS A PARTICULARLY IMPORTANT AUTHORITY AS IT ALLOWS THE COMMAND TO REACH OUT AND BRING TOGETHER REGIONAL MILITARY LEADERS AND OPINION MAKERS TO DISCUSS PROBLEMS AND ISSUES OF MUTUAL INTEREST. TITLE 10 ALSO HAS ALLOWED US TO RESPOND QUICKLY AND EFFECTIVELY TO CALLS FOR HUMANITARIAN RELIEF IN THE PHILIPPINES, THAILAND, AND THE FEDERATED STATES OF MICRONESIA WITHIN THE PAST YEAR. SUCH MANIFESTATION OF CONCERN AND ASSISTANCE IS HIGHLY VISIBLE, WELL RECEIVED, AND EARNS US GOOD WILL FOR YEARS TO COME. I URGE THE CONTINUED FUNDING OF THIS VERY MODEST ACCOUNT THAT RETURNS MULTIPLES ON THE INVESTMENT.

## CONCLUSION

IN CONCLUSION, I FEEL COMFORTABLE WITH THE DEVELOPMENTS IN OUR THEATER AND SEE OUR CURRENT POSTURE AS REASSURING TO OUR ALLIES AND FRIENDS. I BELIEVE THEY ARE FOLLOWING DEVELOPMENTS WITH GREAT INTEREST SINCE THEY HAVE A HIGH STAKE IN OUR DECISIONS. THEY ARE LOOKING FOR SIGNALS, REAL OR UNINTENDED, OF OUR RELIABILITY AS A FRIEND OR ALLY AND THE BENEFITS AND RISKS OF A CLOSE U. S. RELATIONSHIP.

THIS IS PERHAPS A WATERSHED TIME, GIVEN THE DYNAMICS OF OUR

RELATIONSHIPS WITH KEY ALLIES SUCH AS THE PHILIPPINES, JAPAN AND KOREA. OUR CONTINUED PRESENCE AND POSTURE ARE FUNDAMENTAL TO OUR PACIFIC STRATEGY AND THE CHARACTER OF OUR RELATIONSHIPS WITH THESE COUNTRIES.

ALTHOUGH IN PAST YEARS, WE HAVE MADE SUBSTANTIAL REDUCTIONS IN THE U. S. PRESENCE, I WOULD COUNSEL THAT ANY POSSIBLE FUTURE OVERSEAS FORCE CUTS TO REMEDY OUR FISCAL PROBLEMS BE CAREFULLY VIEWED FROM A STRATEGIC PERSPECTIVE, WITH EMPHASIS ON THE POTENTIAL IMPACTS ON OUR ABILITY TO CONTINUE TO PROVIDE THE SECURITY THAT HAS ALLOWED THE ECONOMIC GROWTH AND POLITICAL STABILITY OF THE PACIFIC REGION OVER THE PAST 40 YEARS.

WE MUST PROCEED PRUDENTLY, TAKING MEASURED STEPS AS THE SITUATION EVOLVES, SEIZING EVERY OPPORTUNITY TO INCREASE MUTUAL CONFIDENCE AS WELL AS TO DECREASE MUTUAL TENSIONS.

WE REMAIN A GREAT AND RESPECTED POWER IN THE PACIFIC. OUR FRIENDS AND ALLIES RECOGNIZE THAT WE MAKE IMPORTANT CONTRIBUTIONS ACROSS THE SPECTRUM, NURTURING DEMOCRACY, DEVELOPING ECONOMIC POTENTIAL, AND PRESERVING THE PEACE.

WE INTEND TO CONTINUE TO DO THIS BY EXPANDING OUR ACCESS, INCREASING OUR CONTACT WITH NATIONS, REACHING OUT TO HELP THROUGH HUMANITARIAN ASSISTANCE AND CIVIC ACTION, AND COOPERATING THROUGH MORE MILITARY-TO-MILITARY EXERCISES THAT INCREASE CONFIDENCE IN THE UNITED STATES AS A RELIABLE AND TRUSTWORTHY ALLY, DEDICATED TO FREEDOM AND PROSPERITY FOR THE REGION.

Chairman **Nunn**. Thank you very much, Admiral Hardisty. General Menetrey, we are glad to have you and if you will go next, we will be pleased to receive your testimony.

## STATEMENT OF GEN. LOUIS C. MENETREY, USA, COMMANDER, U.S. FORCES, KOREA

General **Menetrey**. Yes and thank you very much, Mr. Chairman, and other distinguished members of the committee. It is an honor to be here. I have an opening statement and I will just give it for the record. I would like to say a few words, if I could.

Looking at this area of the world that I am in, Northeast Asia, Korea, if you look back 30 years and then sort of look to where we are now, 30 years ago Korea was a poor country just recovering from a rather devastating war. We did not have very much trade with Japan and China was an avowed enemy. Today it is far different.

I think it is a success story in a way, perhaps, representative of something you might call competitive strategies. Our friends out there, notably, Korea and Japan, are successful. The Soviet Union is stuck with North Korea and Vietnam. I do not think we would trade.

Korea is a strategic location and has been for a thousand years or more, sometimes much to the discomfort of the Korean people. But it truly is where the interests of the four major powers of the world intersect. Seoul is, as you know, equi-distant from Beijing, Tokyo and Vladivostok. And so it is on this peninsula that these interests come together.

Now you mentioned being here representing United States Forces Korea, which is of course true, and I am a sub-unified command, under PACOM, Admiral Hardisty, but I also represent some other commands. USFK is not necessarily a war-fighting headquarters. It is a support headquarters to the other commands.

But we do have a little less than 43,000 American troops in Korea. A little less than 31,000 of that number are Army, most of the rest are Air Force. They are forward deployed, needless to say, a long way from home. And they represent part of our forward deployment strategy.

A major Army element is the Second Infantry Division which is the only Army combat element west of Hawaii and it is a self-contained unit capable of independent operations. It constitutes, along with the other Army elements, about 4 percent of our active Army. And I happen to think that is a pretty good return on the investment for the deterrence and stability they represent in the area.

Some of the other commands: Another one is United Nations Command. Now in this command, I report to the President through the Chairman and the SECDEF. That command is responsible for armistice maintenance which brings up the point, of course, that there is no peace in Korea. There is a military truce. And that truce was signed many years ago by another United Nations commander, Mark Clark, and he was the only one who signed it for our side. Two people signed it on the North side. One of them was Kim Il Sung, but not as head of state, but as Supreme Commander of the North Korean Armed Services, so it is a military truce.

Now the mission of the United Nations Command logically is to work itself out of a job to replace the armistice with something that would be akin to an agreement between North and South. Whether that be a peace treaty or some other kind of agreement. We have not done too well in that, but it still should be our objective.

Another command is Combined Forces Command, and in that command I report to the Chairman, JCS, but also to the Republic of Korea CJCS. That is a combined command and it was formed in 1978, as you know, by Jack Vessey. And it has what we call combined OPCON of most of the Korean combat forces. The Korean combat forces are a very professional and capable armed force of roughly 620,000. I do not command those forces.

I have operational control for purposes of carrying out approved war plans. That is the war-fighting headquarters in Korea, the Combined Forces Command and thus, they are the headquarters that pronounce the deterrent to war, as well as the ability to defeat the enemy should we be attacked. It was formed, as you know, in response to the threat as a more effective way to counter the threat from North Korea, which brings me to North Korea.

The threat still remains and is, in fact, growing. There has as yet been no evidence of perestroika or glasnost or anything else from the North. They remain as always a threat. You know the numbers, roughly a million under arms. A very robust reserve structure.

They are easily the most heavily armed nation in the world per capita. Most worrisome, I suppose, is the fact that this force, 26 miles from the capital Seoul, forward deployed, well supplied and stocked in almost an attack position, is under the leadership of Kim Il Sung, who, to say the very least, has not demonstrated the capacity for rational behavior over the past.

The Soviet Union continues to supply the North with modern systems. And we assume that will continue. So, in sum, sir, the situation on the Korean Peninsula is stable. Deterrence is in place. I see no reason why that should change under current circumstances. In my statement I submitted for the record, I commented on the Goldwater-Nichols and on the operational priorities that I have established.

Sir, I am prepared for your questions.

[The prepared statement of General Menetrey follows:]

## STATEMENT BY

## GENERAL LOUIS C. MENETREY, USA

## COMMANDER, U.S. FORCES, KOREA

## INTRODUCTION

Mr. Chairman and distinguished members of the Armed Services Committee: It gives me great pleasure to add my views to those expressed by my esteemed colleagues concerning US national security strategy. I will limit my remarks to US military strategy and objectives in the Republic of Korea (ROK) and the Northeast Asia region.

## IMPORTANCE OF NORTHEAST ASIA

When we look back on Northeast Asia (NEA) some thirty years ago, Korea was a poor nation, still reeling for the ravages of war, we only had limited trade with Japan, the Peoples' Republic of China (PRC) was our avowed adversary, and we focused our attentions on preventing the spread of Marxist-Leninist ideology like that which was espoused by Kim Il Sung and his North Korea puppet government. Today, the economies of the NEA region have prospered. Japan is now one of our largest trading partners, we have cordial relations with the PRC, and the Republic of Korea is flourishing under an "economic miracle," perhaps the greatest in modern history.

In terms of economic importance to the US and NEA, Korea is an exceptionally important player in the economic interdependence of the US-Japan-Korea relationship. Korea's real GNP grew 12.2% in 1988, while her imports from the US were up 46% to $12.8B. In 1988, Korea's total trade with the US was about

$33.5B, making her our seventh largest trading partner overall and our second largest country market for agricultural products. The investment marketplace in Korea is a fertile market-of-opportunity for American enterprise that produced investments totaling $248M in 1988. Additionally, Korea is one of several bases in Asia that allows American companies to jump-off into other Asian markets, especially those being developed in China.

With respect to Japan, Korea's imports totalled $16B in 1988 while exports totalled $12B making her Japan's second largest provider of goods. In fact, Korea supplies Japan with six percent of all Japanese imports. The Korea-Japan interdependence allows for the production of relatively low-cost capital consumer goods. In other words, your Hitachi VCR was probably made in Korea of mixed Korean-Japanese components. Despite her economic ties with Japan, in order to assist the US with our large trade deficit, Korea has begun to shift import sources away from Japan to the U.S.

Militarily, the Soviets were a second class power in NEA. Today they have the preponderance of nuclear and conventional forces in the region and have evolved into a first rate naval threat, pushing to exert influence into the lucrative NEA area. The Soviet land force, equipped with modern weaponry, is massive with 57 divisions alone stationed in the Asian region. The Soviets also support the world's fourth largest armed force, located across the DMZ in North Korea. Despite talk of force reductions, the Soviets have given no indication of lessening their attempts to gain entrance into this part of the world. With a large blue-water fleet home-ported in Vladivostok, the security of NEA rests with our continued resolve to keep this affluent economic market open and accessible to the Free World.

Korea is a bastion of democracy on the northeastern part of the Asian continent, and she is tied to the economics of the region and the world. With the world's 17th largest economy, Korea is moving into the mainstream of the international economic market, and that means even more economic opportunity for the US and expansion of the US-ROK relationship. Partly because of our large economic interests in NEA, both in Korea and Japan, we must continue to maintain stability in the region.

## U.S. MILITARY OBJECTIVES AND STRATEGY

US military objectives and strategy in the ROK support the US regional military objectives and strategy as expressed by the Commander in Chief, US Pacific Command (USCINCPAC). The fundamental US military objective in the ROK is to deter north Korean aggression and if deterrence fails, to terminate the conflict on grounds favorable to the US and the ROK. This objective is consistent with the defense concerns of both countries. Achieving this fundamental objective contributes significantly to stability within Northeast Asia, as well as the USCINCPAC area of responsibility in general.

We seek to achieve our fundamental objective by maintaining a formidable deterrent force posture in concert with our ROK ally. As a means of establishing the requisite force balance on the Korean peninsula vis-a-vis North Korea and its allies, we actively pursue a number of programs to foster greater Korean self-reliance through growth and modernization of the Korean armed forces, greater sustainability through acquisition and retention of war reserve stocks, and improved combined US-ROK operational capability through intensive combined training and exercises, as well as continued emphasis on standardization and interoperability. The US-ROK security relationship and US force presence in the ROK embodies fundamental principles of US strategy: forward deployment of forces, alliances with free nations, and regional stability.

## THREAT

A major factor affecting our ability to execute our strategy and achieve military objectives is the threat posed by North Korea. The military balance on the peninsula, based on known personnel strengths, equipment, and force deployments, continues to favor the Democratic People's Republic of Korea (DPRK). I expect this situation will gradually improve as the Republic of Korea continues to modernize its armed forces. A major factor in the military balance will be the extent of Soviet assistance to North Korea, assistance which continues in spite of the Soviet's new policies of liberalization and rapprochement with the ROK.

From the ground perspective, North Korea maintains numerical advantages in most categories of combat power. The north, for example, continues to enjoy a 300,000-man advantage in personnel strength, a 2.5 to 1 advantage in tanks and a 2.6 to 1 superiority in artillery and multiple rocket launchers, about the same ratio as Warsaw Pact vs. NATO.

Of particular concern is the estimated 80,000-strong North Korean Special Operations Force and closely affiliated organizations which engage in terrorism, subversion, and intelligence collection. These forces represent a constant and significant threat to South Korea both within the Republic and overseas. In wartime, these units could be inserted by land, sea, and air to disrupt operations in forward and rear areas.

Add to these formidable ground forces another 50,000-plus security forces and border guard troops and you have a well-balanced, well-disciplined, and loyal North Korean Army.

When viewing this imposing array of manpower and firepower, one should also consider that major portions of North Korea's ground forces are deployed well forward and supported by major underground facilities and large storage sites located near the Demilitarized Zone (DMZ). These underground installations help mask the north's offensive intentions, reduce our warning time, and provide excellent support for an attack on the ROK. Seoul, the capital and heart of the Republic, is only 26 miles from the DMZ.

The North Korean air force continues to enjoy a numerical advantage over the ROK air force and has made qualitative improvements as well. The acquisition from the Soviet Union of MIG-23 aircraft in 1985, MIG-29 aircraft in 1988, and newer SA-2s, SA-3s, and SA-5s significantly enhances their air defense and intercept capabilities. The SA-5 presents a serious threat to civil and military air operations over much of the ROK. Additionally, North Korea has received the offensively oriented SU-25 aircraft, modern radars, and significant numbers of newer air defense systems. We fully expect North Korea to continue its force modernization efforts.

North Korea's possession of the Hughes 500 helicopter is a special problem as its physical appearance closely resembles helicopters manufactured and flown by the ROK military. We are particularly concerned about the possible use of these helicopters, disguised as friendly aircraft, to support infiltration or conduct attacks in the South.

The nearly 600 ships, craft, and submarines of the North Korean navy represent a significant advantage over the ROK navy, particularly in submarines and fast attack patrol boats, as well as in new infiltration and amphibious vessels.

The North Korean economy remains relatively stagnant, with much of its industrial capacity used for production of military hardware and munitions. North Korea's GNP has risen from $10.5 billion in 1978 to about $20 billion in 1988; however, this increase has been overshadowed by its outstanding foreign debt. In 1987, Pyongyang was held in default of a $770 million loan by a western banking group. Western nations, as well as communist nations, are increasingly reluctant to extend loans or conduct banking with North Korea because of its inability or unwillingness to meet its obligations. In the face of current economic problems, North Korea is still expected to increase defense spending for 1989 by more than 4 percent in real terms.

Over the past several weeks, I have become increasingly concerned that the North Korean leadership may have begun to perceive that prospects for their takeover of the Republic of Korea are steadily improving. This perception may be supported by events in the South, such as the current upsurge in violent dissident activity, expanded labor strife, and increased opposition, both in the U.S. and Republic, to continued U.S. military presence. If Pyongyang believes that internal unrest is spreading throughout the ROK and substantially threatening the stability of the South Korean Government, they may consider the timing appropriate for some sort of adventurism, to include direct military confrontation. Furthermore, should they perceive that they are significantly influencing the scope and nature of the unrest in the South, they may feel even more confident in their chances for successful domination.

As you are aware, rumors of U.S. military withdrawal or significant reductions in military presence are widespread. Such rumors would seem to strengthen North Korea's view that developments in the South and in particular, events directly affecting the US-ROK security relationship, are serving their ultimate interests.

The military situation on the Korean peninsula remains uncertain, with the potential to threaten our security in the Northeast Asia region. One of our most significant concerns is that North Korea, the most closed society in the world and a society out of step with the prevailing climate in East-West relations is lead by a dictator with a 44-year old unfulfilled dream of uniting the entire Korean peninsula under his communist rule. The formidible offensive power of North Korea is in the hands of an unpredictable leader, who has time and again demonstrated his capacity for irrational acts. If Kim Il Sung perceives that conditions are favorable for action against the South, the potential for conflict becomes ominous.

The military threat to the Republic of Korea remains significant, North Korean force alignment and equipment advantages present a formidable offensive capability. North Korea is clearly the most heavily armed nation per capita in the world and, unlike other communist countries, shows no signs of lessening its commitment to military strength.

## FORCE CAPABILITIES

In my capacity as Commander in Chief, Combined Forces Command (CINCCFC), I am charged with achieving the mutual US-ROK objective of deterring war and defeating aggression if it occurs. The forces available consist of the ROK armed forces, US ground and air forces in Korea (USFK), and US augmentation forces from outside Korea.

The ROK military is a well-trained, highly disciplined, and capably led force composed primarily of conscripts. Active forces number around 620,000 personnel, of which 19% are regulars. These active forces can be augmented by a reserve force of several million. Their ground, air, and naval forces continue to make force improvements which include structure changes, as well as the acquisition of modern equipment. Interoperability between US and ROK forces continues to improve as a result of combined training and exercises.

The 31,000 US ground forces in Korea consist primarily of the 2d Infantry Division, the only Army combat unit west of Hawaii, and other U.S. Army elements providing essential engineer, aviation, signal support, as well as assets for command, control, communications, and intelligence (C3I) functions. Other elements provide the logistics infrastructure required to support operations in peace and war, especially the timely reception and employment of U.S. augmentation forces. These forces are an integral and critical part of the combined force and represent only about four percent of the total US Army - a great return on the investment in deterrence and stability they represent.

The 2d Infantry Division is in the midst of an Army of Excellence (AOE) conversion, which will enhance our warfighting capability by restructuring units and providing modernized equipment and greater firepower. The Division is the essence of deterrence and US commitment to the region. It still contains

Koreans who augment US personnel (KATUSA), is without dependents, is configured to complement ROK army elements and is the minimum size force to act independently in a combat environment.

The air power of the 7th US Air Force, based in Korea, is indispensable both to deterrence and to the successful resolution of any conflict on the peninsula should deterrence fail. Our ongoing conversion to F-16's and the force improvements scheduled for the ROK air force are essential in countering North Korea's numerical advantages.

In event of a conflict, we can expect US ground, air, and naval forces to augment the forces already in the Republic. The size and composition of these augmentation forces is contingent upon whether we are engaged in a regional or global conflict.

Presently, these combined US-ROK forces have yet to achieve a quantitative edge; however, they do enjoy a qualitative advantage over the north and I am confident they can continue to deter war on the peninsula, barring a miscalculation by the north.

## OPERATIONAL REQUIREMENTS

To preclude making my statement classified, I will discuss my operational requirements and deficiencies in general terms.

As I indicated above, the threat on the Korean peninsula has not diminished. The offensive posture of the North Korean military and their continuous modernization efforts demonstrates the need for US forces to counter with modernization and military enhancements of our own.

Improvements in the broad areas of sustainability, force structure/modernization, and information management must continue. I will briefly address each of these areas, and selected subordinate programs.

a. Sustainment of US forces in time of conflict is a major concern. Key programs include:

1. Modern Munitions: A greater percentage of fill in stockage levels of currently maintained modern munitions is essential to the readiness and sustainability of our forces due to their improved killing power. These munitions provide critically needed armor-piercing capabilities to counter the increased and modernized North Korean armored threat and air-to-air capabilities against the numerically superior North Korean air force. In addition, the pre-positioning of critical weapons is essential if combat forces are to be sustained. The intensity of initial combat will result in early attrition of assets and necessitates having pre-positioned resources in country to replace battlefield losses. This is especially important because stocks in the Pacific do not satisfy our critical needs and a lengthy delivery time is required to receive assets from the continental U.S.

2. Pre-positioned War Reserve Stocks (PWRS): Distribution problems for major equipment (Supply Class VII) and repair parts (Supply Class IX) persist. These sustainment issues include pre-positioned war reserve stocks (PWRS), which involve shortfalls of major end items repair parts/spares and medical items. Shortfalls in major end items of equipment are particularly acute for combat vehicles, howitzers, tactical radios and night vision devices. In addition to the war reserve stocks, it is necessary to have storage facilities in which to maintain these items. Current storage of Army munitions at U.S. controlled facilities is inadequate. We have an urgent need for increased covered war reserve storage areas in Korea. Current fielding plans indicate that M60A3 and M1 tanks will become

available in the Eighth Army war reserve, yet they will be placed in open storage because projects to construct needed facilities will not be in the Military Construction Army (MCA) program in sufficient time. In-country petroleum, oil and lubrication (POL) stocks, critical to the sustainment of allied forces in Korea, are partly stored in inadequate and vulnerable facilities. Lead time and exposure to hostile action make dependence on offshore resources a serious problem.

3. Combat Support (CS)/Combat Service Support (CSS) Logistics Support. There are two major issues in this area: providing for the purchase of tactical trucks and trailers to support the conversion of transportation companies and advancing procurement of equipment for units being converted under the Quartermaster Force Improvement Program.

4. Ammunition Storage and Safety: Resources were provided in Program Objective Memorandum (POM) FY 88-92 to build a number of Ammunition Holding Areas to ensure the safety of our soldiers and property. These funds should be protected in upcoming POM/budget reviews.

5. Medical support. Two critical areas are adversely impacted - Deployed Medical Systems (DEPMEDS) and frozen blood facilities. DEPMEDS is necessary to provide a field hospital system that can be relocated to meet the changing needs of a theater commander in time of war. It is also essential for treating patients that cannot be medically evacuated out of country. DEPMEDS was fielded to the 43rd Surgical Hospital in FY 89 and will be fielded to the 121st Evacuation Hospital in FY 91. While sites for both locations have been approved, MCA projects for storage, maintenance and training facilities have

continued to slip to later years due to MCA reductions and priority changes. Frozen blood facilities are vital to the Pacific Theater. They will provide sufficient blood products during the early stages of armed conflict and will allow the command to operate independent of outside sources. Immediate availability of blood will minimize treatment time and reduce battle casualties. It will also permit the pre-screening of blood products for the HIV virus. Due to existing inadequate facilities, blood can only be stored for 35 days in a refrigerated liquid state. This prevents long-term storage in quantities during conflict. While one facility is programmed for FY 90 the other has slipped to FY 91/92.

b. Force structure/modernization remains a concern as we seek to improve our warfighting capability while maintaining the same endstrength. We continue to need:

1. 2d Infantry Division (2ID) AOE Design: Military construction programs are essential to the 2d Infantry Division's transition to the Army of Excellence in FY 90 and beyond. The 2ID will undergo a weapon modernization program (e.g., M60A3's replaced by M1 tanks), as well as a force restructuring.

2. Apache Conversion: Army plans to field Apache helicopters will provide increased warfighting capability to CFC through their ability to navigate and attack in darkness and adverse weather conditions. Apache fielding will also significantly enhance our deterrent posture on the peninsula. Current facilities must be modified in order to properly support fielding of these aircraft.

3. Unmanned Aerial Vehicle/Remotely Piloted

Vehicle (UAV/RPV): Critical targeting capabilities which UAV/RPV will provide include penetrating enemy defenses, surveying the "reverse slopes" of the mountainous North Korean terrain, reconnoitering target areas, and reporting information in a real time fashion for the immediate use by battlefield commanders and fire support officers. The requirement for such a capability is well illustrated by one of the critical surveillance/target acquisition problems facing us — to locate and neutralize North Korean hardened artillery sites (HARTS). These sites are heavily fortified and can be attacked successfully only when they are temporarily "open" to allow the enemy to deploy artillery from their bunkers to prepare for firing. UAV/RPV would be able to take advantage of this window, identifying targets and reporting them in real time.

c. Information Management. Several initiatives in support of command, control and communication capabilities in Korea need to be addressed. These include:

1. Tactical Automated Command and Control Information Management System (TACCIMS). Proper development of the TACCIMS is critical to effective planning and execution of contingency missions. Although this issue was resourced in POM FY88-92, planned improvements must be considered.

2. Korea Digitization and Reconfiguration funding will increase the current fiber optics communication capability between Japan and Korea.

With regard to the impact of former President Reagan's defense budget on our operational requirements, the budget request was generally unable to correct in totality any of the deficiencies enumerated above. Although, it did support progress on individual issues such as the fielding of Apache helicopters and construction of a facility for frozen blood storage. It is inappropriate to comment on the amended budget until it is submitted.

## GOLDWATER-NICHOLS DOD REORGANIZATION ACT

In the area of strengthening the command and personnel authority of COMUSKOREA we must remember that US Forces, Korea is a subordinate unified command of U.S. Pacific Command. The Act doesn't specifically address subordinate unified commands or combined commands, such as the Combined Forces Command in Korea. However, there have been a number of spin-off benefits for USFK as result of the overall strengthening of the system.

The reorganization act gave the unified and specified commanders greater interplay in the resource management arena, which has indirectly benefited USFK by providing an additional forum through which we may present and advocate our requirements. In addition, of course, we present our case through the Services and directly to the Secretary of Defense (and Minister of National Defense of the ROK) through the Combined Forces Command. USCINCPAC can sponsor USFK programs and issues with the Joint Chiefs of Staff and the Office of the Secretary of Defense, as well as through participation in the Defense Resources Board (DRB). This capability has strengthened the Planning, Programming, and Budgeting System (PPBS) process.

As you are aware, most of the measures that DOD uses to implement the Joint Officer Management provisions of the Goldwater-Nichols DOD Reorganization Act of 1986 rest with the Services. They school, select and assign officers to joint and combined commands. From my end, I ensure those officers selected for joint duty assignment actually fill a joint or combined position. I must say that the quality of the officers the Services are sending to Korea is excellent. The only problem that I have encountered with the implementation of the law is the restrictions that preclude adequate recognition to all officers performing joint or combined duties. The interrelationship of the major headquarters in Korea is such that in many instances I have officers assigned to a Service component headquarters who perform significant joint duties for United States Forces, Korea (USFK) and/or the ROK-US Combined Forces Command (CFC). These officers work along side officers assigned to joint billets who receive joint duty credit and perform essentially the same duties.

At present only those individuals assigned to a joint or combined billet reflected on the Joint Duty Assignment List (JDAL) receive joint duty credit and are tracked for future assignments to positions requiring joing duty experience. We are not equitably recognizing the performance and contributions of those officers in dual-hat positions and are failing to keep a record of their joint or combined experience for future assignments where joint experience is needed.

A General Accounting Office (GAO) team recently visited Korea and concluded that the overwhelming majority of JDAL positions included in their statistical sample provided significant joint experience. They also sampled some of our dual-hatted in-Service positions and concluded that they provided joint experience similar to that provided JDAL positions.

I believe joint or combined commanders are in the best position to determine whether a position, regardless of the command to which assigned, provides the joint duty experience that meets the intent of the Title IV. We are in a catch-22 situation that results in a lack of joint duty recognition for incumbents of these positions and the loss of their experience to future joint assignments needs.

As a subordinate unified commander and as a combined force commander, I strongly support the goal of Title IV; however, I also believe dual-hatted positions are a necessity in view of the limited resources available to accomplish our numerous military objectives. We must establish a means, consistent with the Title IV goal, to certify appropriate dual-hatted positions for inclusion in the joint officer management program.

## IMPLICATIONS OF GORBACHEV' SECURITY POLICIES

Secretary Gorbachev's security proposals have the potential of producing substantive changes; however, it is too early to predict the results. We must be careful not to overreact and sell out our shares in the Pacific and Northeast Asia, particularly in the absence of tangible changes in Soviet military capabilities in the Pacific. Such an action would only serve to legitimize the Soviet Union as a major Pacific player. We must remember that the Soviet Union is a primarily continental power, and her ability to project power has been weakened by our successful maritime strategy and forward deployed forces. The success of Soviet overtures concerning force reductions will lessen US influence in the Pacific, while paving the way for greater Soviet involvement.

The Soviet model of government and economics are proven failures. We have only to look at the unrest within the Soviet Union and her satellites -- Poland is struggling for a new government; the Russians of Soviet Georgia are pressing for a more autonomous role for their government; Cuba can't survive without large Soviet subsidies; North Korea is an economic basket case; and the list goes on.

On the other hand, the US has enjoyed political and economic success in the Pacific, in part because our military strategy in the region has directly contributed to peace and prosperity, while containing Soviet expansionism and influence. This same strategy has helped produce numerous success stories, most notably Japan and Korea.

We must maintain the initiative by promoting the US success story. At the same time, we should push the Soviets to expand their proposals into substantive offers and actions. The bottom line is that the Soviets are being pressed because of our strategy in the Pacific and we need to maintain our strong alliances in the region.

Again it must be said that, while we are getting pleasing words - but perhaps few deeds from the USSR - from North Korea, we don't even get the words.

## CONCLUSION

US forces in Korea play a vital role in maintaining deterrence on the peninsula. Any discussions of withdrawing these as a cost savings measure must address a wide range of concerns, including relocation costs, cost and availability of basing facilities and training areas, increased strategic air and sealift requirements, implications of a lower US profile in Northeast Asia, and the signal such a move would send to US allies worldwide. A close examination of these concerns will demonstrate that withdrawing forces does not save money.

Most of the 2d Infantry Division's intelligence assets are essential in maintaining the armistice and are key to our indications and warning capability during transition to war. Even if the 2d Infantry Division was reduced in size, this would not necessarily mean a proportional reduction of the echelons above division support structure. Cuts in the echelon above division support structure would affect the level of support provided to ground forces and adversely affect the sustainment base for augmentation forces in a contingency. Such cuts might force modification of the flow of augmentation forces in order to bring in support units earlier than presently called for, thereby delaying the arrival of additional combat forces.

The 2d Infantry Division also serves as the working model on the application of US Army doctrine for Korea. As the ROK army modernizes its forces and develops its doctrine, the 2d Infantry Division serves as insurance that the combined aspects of operations are preserved. Additionally, the 2d Infantry Division provides a means to identify and correct interoperability problems between ROK and US forces, leading in many cases to ROK purchases of US equipment. These benefits cannot be achieved through the limited exposure gained by annual rotations for training exercises.

In army structure, a division is the lowest level organization capable of independent operations; therefore, reducing below that level in Korea is not a viable option. Furthermore, the presence of the 2d Infantry Division clearly communicates America's resolve. There are those who believe we can communicate the same degree of commitment without the presence of ground forces. In response, I would remind them that the cardinal principle of deterrence in Korea has always been that the sum of ROK and US forces deployed in Korea plus offshore US augmentation forces must be perceived as able to repel any attack by North Korea. But for US forces to be effective as a deterrent, they must be credible. North Korea must have no doubt that an attack on the ROK will involve deployed US forces and in turn bring offshore US forces into play as well. In this respect, the role of the 2d Infantry Division remains crucial and is analogous to that of US ground forces in Europe. The issue is not whether the 2d Infantry Division would be essential to a successful outcome should war break out; rather, the issue is whether any combination of ROK forces plus offshore US air and naval forces could duplicate the same degree of resolve, commitment, and steadfastness that the presence of the 2d Infantry Division conveys. It is generally understood by friend and foe alike that when the Army is committed, the United States is committed as a nation. Thus the 2d Infantry Division projects a sense of national commitment that cannot be conveyed by any other means, including air and naval presence.

Since the Korean conflict, we have stood beside our Republic of Korea ally to counter North Korean aggression and support the growth of democracy in the Republic. By all accounts the current situation in the Republic represents success for both US strategy and the US-ROK alliance.

Chairman NUNN. Thank you, General Menetrey. General Stackpole, we are delighted to have you.

## STATEMENT OF MAJ. GEN. HENRY C. STACKPOLE III, USMC, DIRECTOR OF PLANS AND POLICIES, U.S. ATLANTIC COMMAND

General STACKPOLE. Thank you. I am pleased to represent Admiral Kelso this morning before you, Mr. Chairman, and the distinguished members of this committee. And I appreciate our full statement having been entered into the record.

My brief statement addresses the current military strategy in the Atlantic Command, our forces and the CINC's priorities and concerns and we hope that it will not only give you a good appreciation of USLANTCOM's area of responsibility, but also make a contribution to your ongoing examination of the relationship between the stated goals of our national strategy and the resources that must be allocated to national defense to achieve those goals.

Admiral Kelso asked that I report to you today that the readiness and the capability in the Atlantic Command military forces has never been higher, and that the men and women of our armed services have never been more dedicated or well trained in his view than they are today. Our military in our country has benefited from tremendous improvements over the past 8 years. As a result of the significant commitment to defense by our political leaders for the support of the American people, we have recovered well from the neglect of the seventies; a very bleak period when we at times had ships that were unable to get underway because of materiel problems and personnel shortages. A period when aircraft readiness suffered because of too few spare parts and trained maintenance personnel. A period when problems with morale abounded.

It is absolutely essential that we protect these invaluable gains. I fully acknowledge that there are difficult decisions ahead, decisions that are driven by dynamic threat, competing national priorities and constrained fiscal resources. At the same time, we are also aware that the general public in the United States and especially in Europe, perceives a lessening of tensions between East and West. They see new hope for progress in arms control and in many other matters which historically have been sources of friction.

Certainly changes are taking place within the Soviet system, but the extent and duration of these changes is unknown. We can watch and hope for improvements in the way we do business, but still, we live in a dangerous and unpredictable world. Despite their recent promises, the Soviets have yet to dismantle a single military system. With the exception of Afghanistan, they have not withdrawn from a single military position.

While there has been a reduction in the number of Soviet out-of-area naval operations, they have aggressively continued their naval construction program which includes advanced submarines, surface ships, and aircraft carriers. In fact, Soviet military capabilities continue to grow across the board. We are seeing front line Soviet naval aviation units deployed to forward areas on the Kola peninsula, adjacent to the Barents Sea. Their Yankee strategic submarines are on patrol now in the Western Atlantic.

Other Yankee SSGNs have been outfitted with advanced, highly capable sea-launched cruise missiles. The Soviet Navy is far more capable now than it was when Mr. Gorbachev came to power. So although there may be a muddle of expectations from perestroika and glasnost, the unified commander has to be a realist and pragmatically approach his command responsibilities. These are based upon an observable real threat and not upon the other side's stated, but as yet, unfulfilled intentions.

I sincerely hope that tensions in our world will continue to decrease. However, the Soviet Union today stands as the only nation able to present a serious threat in the LANTCOM area of responsibility. Until we see real reductions in their military capability, we must remain ready to meet the challenge at hand. The long standing Atlantic Command strategy of forward defense and containment is sound, and we should proceed very cautiously in making any significant changes to that strategy. Our forces must be in a position to defer conflict or be forward deployed in a position to engage.

Admiral Kelso's top priority is to preserve the gains that we have made in readiness in order to remain capable of meeting our commitments and to remain ready to respond to a wide range of contingencies and threats. Our readiness is superb as a result of prior year funding and strong congressional support for pay and benefits, spare parts, and maintenance programs. Yet, in spite of significant improvements since 1981 we do have shortages.

We lack forces in sufficient numbers to execute all of our wartime tasks with acceptable risk. The early wartime availability of adequate numbers of deployable carrier battle groups is an issue which is constantly under review and unfortunately, in doubt. We have additional force structure shortfalls in the numbers of surface combatants, mine countermeasure and amphibious and combat logistic support ships. While we continue to deploy fully ready battle groups, sustainability shortfalls remain.

Specifically, I am referring to air-to-air and anti-radiation missiles, torpedoes, sonobuoys and weapon handling equipment. Command, control, communications, surveillance, intelligence and electronic warfare programs are essential capabilities that apply to every warfare area in peacetime or in crisis, but deficiencies remain. In all phases of joint operations these elements are needed to assure that we have adequate indications and warning and secure, survivable and effective communications.

Our greatest warfighting concern in the Atlantic is the Soviet submarine force and our need to maintain our current advantage over the Soviet Union and their allies in nearly all areas of the maritime balance. The Soviets have narrowed this maritime advantage of the Western powers and this trend is expected to continue.

For example, they are successfully incorporating quieting technology in their new construction as well as in overhauled submarines. This has seriously complicated our ability to detect their submarines and has challenged us to invest in and develop new technologies to stay ahead. We must continue to dedicate adequate resources to this task.

The security of our Caribbean neighbors, in another part of our ADR, is an important, but sometimes neglected issue. It is in our own interest to provide security assistance and help these democracies develop economically. Failure to do so risks providing Cuba with an attractive target and risks the prospect of another Grenada. Abandoning them at this juncture would result in erosion of our credibility, diminish their confidence in us and would reverse the growing contribution these nations are now making to drug interdiction.

Although the challenges and priorities before us are many as this committee well understands, we must not and cannot fail to support our most perishable asset, our dedicated people. The remarkable ability, spirit and morale of the young men and women in the Armed Forces today, forms the very heart of our superb readiness. The strong support of this administration and Congress in providing competitive pay and benefits to these capable, deserving service members is in no small measure, responsible for this high morale.

They firmly believe now, as never before, that the American people support and admire their efforts. Speaking for each military man and woman in the Atlantic Command, this support is truly appreciated. We have proven that the All-Volunteer Force works and works well. And in view of the current strong public sentiment against compulsary service, it is evident that we must maintain a strong volunteer military. We need to continue those pay bonus and quality-of-life programs, so necessary for recruiting and retaining our top quality soldiers, sailors, airmen and marines.

In the area of title IV and in the Goldwater-Nichols Act, I would echo the comments of Admiral Hardisty and submit to this committee that Admiral Kelso has had the same access and effect on the deliberations. Thank you, Mr. Chairman. I stand prepared to take your questions.

[The prepared statement of Major General Stackpole follows:]

# PREPARED STATEMENT OF

## MAJOR GENERAL H. C. STACKPOLE, III, USMC

Director for Plans and Policy (J5)
U.S. Atlantic Command

### Introduction

Mr. Chairman and members of the Committee, I appreciate this opportunity to represent Admiral Kelso and to discuss the Atlantic Command and the important part it plays in our National security. As the Director for Plans and Policy for USLANTCOM, I hope to give you a good appreciation of our area of responsibility, explain our strategy with present and programmed military forces and to discuss the strengths as well as the CINC's areas of concern in the Atlantic Command.

We are in a period of uncertainty and I fully acknowledge that there are difficult decisions ahead. These decisions will be driven by a dynamic threat, competing national priorities and constrained resources. Certainly there is a general feeling in the United States and, especially in Europe, that there is a lessening of tensions between East and West, and that significant progress has been made toward resolving some of the issues which have historically been the source of friction between the United States and the Soviet Union. An improvement in the way we do business is, in my judgement, good for the entire world. However, in spite of the rhetoric, the CINC must approach his command responsibilities based on the military threat which is possible and observed. While there has been a reduction in Soviet out-of-area naval operations, there has not been a reduction in existing naval forces or a decrease in the new construction of naval combatants, support ships and aircraft; and, in fact, we have seen a deployment of frontline Soviet naval aviation units to forward areas in the Kola Peninsula, adjacent to the Barents Sea; and Yankee strategic submarines have resumed patrols in the Western Atlantic. In fact, Soviet military capabilities continue to grow across the board and their intentions for unilateral force reductions have yet to be fulfilled to the public's expectations. As such the CINC must be a realist and pragmatist and prepare for the observed threat or challenge.

Certainly we all sincerely hope that tensions in our world will continue to decrease. But, until we see a change in the military capability of the only nation able to provide a serious challenge within our area of responsibility we must remain prepared to meet that challenge. I strongly believe forty years of preparedness to meet that challenge is a major reason for the encouraging developments now underway in the Kremlin.

## Atlantic Command

The Atlantic Command is primarily a maritime command. It encompasses the entire Atlantic Ocean, the Caribbean and Gulf of Mexico. In addition, it includes waters in the Pacific adjacent to Central and South America. The Atlantic Sea Lines of Communication (SLOCs) are a major link between the United States and the rest of the world. Through this area pass many of the strategic raw materials, petroleum and finished products which are the foundation of world trade. And it is over these same SLOCs that reinforcement and resupply shipping must flow in the event of conflict, of whatever intensity, in Europe, the Middle East or Africa.

I cannot overstate the importance of the Atlantic to the U.S. and our NATO allies. In a conflict with the Soviet Union, our responsibility is to support the land campaign in Europe by ensuring the safe and timely flow of personnel and equipment over the SLOCs, and by the direct application of combat power in support of the land campaign.

Failure to keep open this link to Europe would ensure defeat of

Allied ground forces in Europe. Regardless of how well our ground and air forces would fight, the seaborne flow of equipment and supplies is absolutely essential to sustain the battle. This has been clearly demonstrated in two world wars.

## Strategy in the Atlantic

Recognizing the challenge we face in the Atlantic, both the U.S. and NATO long ago adopted a maritime strategy based upon the principles of forward defense and containment. Forward defense, simply stated, means that in conflict our best means to defeat the Soviet Navy, defend the Northern Flank of NATO and maintain an unbroken link with Europe is through the early movement of naval forces to the North Atlantic and Norwegian Sea. If such a movement can be accomplished prior to the outbreak of hostilities, it would strongly signal our resolve to protect our interests, hopefully deter war; and, if conflict arose, place us in a position to fight effectively.

The advantage of forward defense is that if we are unable to deter war, then our forces will be in position to fight and to contain the majority of the Soviet Navy in waters far north of the Atlantic sea lines of communication. If we can fight there, containment is far simpler than it will be if the Soviet Navy were able to reach the open Atlantic south of Iceland. We do not have sufficient forces to simultaneously support the Northern flank and adequately defend shipping against a Soviet Navy deployed in large numbers throughout the Atlantic. Forward defense minimizes this numerical weakness, while at the same time capitalizing on Soviet geographical disadvantages. The Soviet road to the open ocean is narrow, fifteen hundred miles across the Norwegian Sea, and adjacent to a network of NATO eyes and ears.

Of great importance to eventual success in a battle for the Atlantic is our ability to operate from NATO facilities both in

Iceland and in Norway. If we were to lose North Norway and Iceland, our position in the Norwegian Sea would be untenable; Soviet forces would have easy access to the open Atlantic; and ports in the United Kingdom and northern Europe would be vulnerable to Soviet air attack from occupied forward bases in Norway. Again, the early movement of forces would deny the Soviets such opportunities.

## U.S. Forces

While we lack forces in sufficient number to execute all wartime tasks simultaneously, the readiness of the active forces remains high. The overall quality of ships and aircraft is superior to that of the Soviets. The United States and its allies currently enjoy an advantage over the Soviet Union and its allies in nearly all areas of the maritime balance. In quantity and quality of forces, we continue to realize the benefits of the increased funding provided during the first half of this decade; however, the rate of improvement has slowed or halted. Zero or negative growth will have its impact downstream. We may be beginning to see the first signs that equipment and supply readiness have peaked.

The 315 active and reserve ships of the Atlantic Fleet are operating at unprecedented peacetime levels. While the Iran-Iraq cease fire has allowed a moderate reduction in forces assigned to the Joint Task Force Middle East, our Indian Ocean and other worldwide commitments show no sign of decreasing. Thus far, the Navy has been successful in the very important effort to limit deployment length to a maximum of six months and assure our sailors a minimum of fifty percent time in homeport over the course of a normal operating cycle. This policy, essential to the retention of quality personnel, is possible because the growth of the fleet in the eighties has provided the capability to successfully meet our commitments and give the American sailor more time at home. We must adhere to the commitment of a fully manned, modern Navy to avoid a return to the situation we faced in the 1970's, when we wore out our equipment and people and experienced a tremendous loss of capability to meet national requirements.

In addition to CINCLANTFLT, the Army and Air Force also provide significant forces for the defense of Iceland and the Azores. Particularly important are the USAF F-15 Interceptors and E-3 AWACS permanently stationed in Iceland.

## Allied Forces

Within the Allied Command Atlantic, non-U.S. NATO forces provide over forty percent of the destroyers and frigates, nearly one-quarter of the nuclear attack submarines and maritime patrol aircraft, all of the general purpose submarines and the only two ASW carriers. European nations provide virtually all of the mine countermeasures ships and nearly one-half of the reinforcement and resupply shipping. Our NATO allies are absolutely essential to combat the 350 Warsaw Pact Northern and Baltic Fleet submarines and surface combatants that can oppose us. The existence of NATO and the contributions of our European Allies to the common defense allow the U.S. to maintain a smaller Army, Navy and Air Force than would otherwise be prudent. If war were ever to occur with the Soviet Union, U.S. success would be inexorably tied to the substantial contribution made by our Allies.

## Operational Deficiencies

Forces: We lack forces in sufficient numbers to execute all wartime tasks simultaneously. With respect to maritime forces:

- Early wartime availability of adequate numbers of Carrier Battle Groups is questionable. Specifically, we need a minimum of four Carrier Battle Groups in the Atlantic; CINCEUR needs four in the Mediterranean. Currently only six carrier battle groups are available to support the collective requirements for eight. Overall, our wartime naval fleet disposition calls for fifteen deployable Carrier Battle Groups to provide the minimum essential level of capability to CINCPAC, CINCEUR and CINCLANT.

- Within USCINCLANT there is currently a shortfall of about thirty surface combatants to meet Battle Group and Task Force war plan requirements.
- In time of general war, the quality and quantity of MCM assets are inadequate to execute timely port breakout and support for amphibious operations.
- Although the first LHD (WASP) will soon deliver, we will remain unable to fully execute CINCEUR's wartime requirements for amphibious lift.
- Carrier and battleship battle groups, when fully employed, cannot be fully supported with current levels of combat logistics force support ships.

With respect to the USCINCLANT Army component (ARLANT), the Roland air defense capability is being deleted this fiscal year and no substitute is planned. Also, in spite of aggressive cross-leveling and redistribution, combat support and combat service support units have serious shortfalls and lack essential theater stocks and medical equipment.

While some of these basic force shortfalls could be satisfied through reapportionment or reassignment of forces, this would result in inadequate forces for other theaters and warfare tasks.

Sustainability: The logistics sustainability of Atlantic Command forces continues to improve as we receive deliveries of munitions and spare parts from prior year funding. While the Atlantic Fleet is deploying fully ready Battle Groups, there are shortfalls in preferred munitions for the greater number of Battle

Groups required in wartime. Shortfalls are primarily in air-to-air and anti-radiation missiles, torpedoes, sonobouys, and weapon handling equipment.

Air Force ordnance sustainability for the Atlantic Command continues to improve, both in level of effort and threat munitions. But, like the Navy, there are still shortfalls in preferred munitions. In spite of reduced funding for replenishment spares over the past few years, Air Force sortie estimates virtually match wartime requirements. This is directly attributable to the full funding provided in FY 85, up to three-year procurement lead times and carry over of existing repairable spares. However, as a result of funding reductions experienced during the past four years, the projected wartime sortie generation capability in the FY 90-94 time frame shows a decline.

Command, Control, Communication, Surveillance, Intelligence and Electronic Warfare: There have been significant improvements in these areas, particularly in the past two years, but deficiencies remain in the following broad categories which are critical for all phases of joint operations (planning through execution):

- Survivable, interoperable, secure anti-jam communications.
- Assimilation and correlation of information.
- Surveillance systems.
- Strategic connectivity.

Operational deficiencies in electronic warfare are centered on delays in getting existing technology and capability fielded in adequate numbers.

## Priorities

Personnel Readiness: The CINC's highest priority is for programs that support people -- our most perishable asset. The superb readiness condition of our forces today is in great measure a result of the remarkable dedication and morale of the young men and women in the armed forces. The strong support of the previous Administration and Congress to provide sufficient pay and benefits to these dedicated young people is in no small measure responsible for their morale and their clear understanding that the American people support and admire their efforts. We thank you for this support and ask your continuing support for adequate pay and the quality of life programs so necessary for the retention of these magnificent young people in uniform.

Fair and competitive levels of military compensation are essential to our ability to recruit and retain skilled, dedicated and productive people. We need to pay our people in uniform wages that are commensurate with what they can earn in the civilian sector. Despite the 4.3 percent pay raise approved for FY 89, we still have a 10.1 percent comparability gap as a result of military pay raises being capped below the average private sector wage increases since 1982. We must maintain a military compensation program that can compete with other employment alternatives. I ask for your support of the 3.6 percent FY 90 pay raise as submitted in the President's Budget.

I also ask your support for the modest end strength increases included therein. For several years Navy end strength was not allowed to increase with force structure growth. In order to fully man the Atlantic Fleet, we have had to draw down on shore establishment manning. Without end strength increases, the sea-shore rotation of our sailors (the majority of whom spend more than 55% of their careers on sea duty) will be adversely impacted.

The most effective tool currently available to achieve Navy end-strength and maintain high experience levels in certain mission critical skills is the Selective Reenlistment Bonus (SRB) program. For example, retention of enlisted supervisors (E4-E9) in nuclear power surface ships improved from 35 percent in FY 82 to 54 percent in FY 87 as a direct result of SRB. However, the best example of the effects of SRB is seen when comparing reenlistment rates for mission critical skills between first quarter FY 87 when there was SRB, and the first quarter FY 88, when there was no SRB authority.

| | FY 87 | FY 88 | Change |
|---|---|---|---|
| First Term | 52.3% | 35.5% | -16.8% |
| Second Term | 69.4% | 45.8% | -23.6% |

As shown, the SRB program results in a direct and significant impact on retention. This program must continue, without disruption, if we are to successfully retain highly skilled and trained individuals.

In our officer corps, both the Air Force and Navy continue to experience a severe exodus of experienced pilots. High pilot losses in certain aviation communities jeopardize combat readiness. In order for the military to remain competitive and to retain critically needed officers, the newly enacted Aviation Continuation Pay (ACP) incentive bonus should continue to receive your support. Similarly, we continue to experience retention problems with nuclear trained naval officers. Although there is still a 20% mid-grade shortage, we anticipate this to be reduced significantly as a result of the recently authorized enhanced nuclear officer incentive pay and the 35 percent increase in submarine pay.

Material Readiness: The outstanding condition of our forces also reflects prior year commitment to funding of spare parts, operational training, depot level maintenance, modernization and facilities maintenance. The funding for these operation and maintenance accounts invariably is the first to be impacted by reductions in defense spending. The full effect of reduced funding in these areas is not reflected immediately in unit readiness. It takes time for ships, aircraft squadrons and battalions to draw down on spare parts stock levels, and for personnel proficiency and equipment reliability to decline. The 9

January 1989 President's budget attempts to preserve our hard earned readiness gains within the context of overall reductions. Even so, it is a fact that readiness in the Atlantic Command has leveled off and the positive trend of the past few years will likely reverse.

ASW: The CINC's warfighting priority is to maintain our anti-submarine warfare capability in the face of the rapidly improving quality of the Soviet submarine threat. The Soviets are incorporating quieting technology in every new and overhauled submarine, and this has seriously reduced our ability to detect them.

While we are still slightly ahead, the Soviet quieting trend indicates their best may soon equal ours. This technological breakthrough, coupled with a Soviet production rate of about 9 new submarines a year, means that in ten years nearly one-third of the Soviet force -- 100 submarines -- will be equipped with their modern quieting technology. Compare this to our projected 1998 SSN force of about 100, two-thirds of which will be more than 10 years old. Failure to regain our previous margin of submarine technological superiority would place in jeopardy our ability to prevail in a war with the Soviets. The FY 90/91 budget supports a balanced ASW program that includes the necessary investment in ASW research and development and keeps the SSN-21, P-3 Modernization, Surface ASW Improvements, Fixed Distributed System, DDG-51 and torpedo programs on track.

Sustainability: We must continue to address specific sustainability shortfalls that would hinder our ability to conduct operations in a prolonged war. The most serious concerns, all partially funded to meet required inventories, are:

- air-to-air missiles (AMRAAM; PHOENIX)
- anti-radiation missiles (HARM)
- torpedoes (MK 48 ADCAP; MK-50),
- sonobuoys

- other preferred weapons (IIR MAVERICK; SM-2 MR/ER)
- replenishment spares
- POL
- equipment to sustain operations in a chemical warfare environment.

Command, Control, Communications, Surveillance, Intelligence, and Electronic Warfare: These capabilities are required to support every warfare area in times of crisis and hostilities. They are necessary for indications and warning, and must be adequately survivable to perform in an environment of intense electronic jamming and deception. Priority programs are:

- Secure and anti-jam communications (SINCGARS; HAVE QUICK; JTIDS)
- Surveillance upgrades (North Atlantic Defense System; IUSS; ROTHR/OTH-B; AWACS radar improvements)
- Electronic Warfare (Air to Surface ECM upgrades/Combat DF/BGPHES)
- Strategic connectivity (MILSTAR; VLF/LF)

Forces: We must continue modernization of our forces through fielding adequate numbers of new systems each year to maintain our qualitative edge.

Security Assistance: The programs that make up security assistance to Caribbean nations provide us positive leverage an order of magnitude greater than their relatively small dollar investment. Our assistance enables nations to develop indigenous security capability and strengthens ties to the U.S. through equipment and training. Since 1984, the U.S. has invested nearly $750M in Security Assistance to Caribbean Island nations. The impact of continued near zero Economic Support Fund (ESF) and Military Assistance Program (MAP) funding for the Caribbean will be to jeopardize the stability of this neighboring region. After extensive consultation with the US, Caribbean nations acquired the equipment necessary for their basic security needs in the early 1980's. They understood that some of this equipment would require a constant level of maintenance costs in the out years and asked for assurances that these costs would be covered. We gave them those assurances. Abandonment at this juncture will eventually:

- result in erosion of U.S. credibility and confidence.
- lead to degradation of Caribbean security force capability developed since 1984, which will have a negative effect on regional stability.
- hamper the growing contribution Caribbean nations are now making to drug interdiction.

We need your support to restore security assistance programs which underpin Caribbean stability. The 10-12 million dollars needed is a bargain compared to the approximately $1 billion per year in military aid and about $4.5 billion per year in economic support provided by the Soviet Union to the Caribbean's most formidable military power ... Cuba.

## Drug Surveillance

We are in the planning process to undertake the anti-drug surveillance mission which the Administration and Congress assigned to the Department of Defense in the last Congress. We envision CINCLANT taking responsibility for drug surveillance operations in the Atlantic area of responsibility. This operation is to be directed by a flag officer with his staff and headquarters in Key West, Florida. He will be in charge of all anti-drug surveillance operations and be responsible for coordination with other agencies and commands involved in surveillance and interdiction. He will report directly to USCINCLANT.

## Conclusion

Program changes of the magnitude required to hold the 90-94

FYDP at zero or negative real growth increase our risks and diminish our ability to deter war with the Soviet Union and to influence events worldwide. Soviet military power, regional conflict and state-supported terrorism will not depart the world scene in the foreseeable future. We must resist the temptation to size the defense budget in isolation of these realities.

The strategy of forward defense remains valid within the projected context of reduced funding and military capability. The inherent flexibility of maritime forces supports this general strategy without diminishing our ability, short of general war, to respond to regional crises.

I support the overall priorities and balance of the FY 90/91 budget. Further reductions or changes to its basic composition, however, could substantially accelerate a decline in current military capability. In the near term, it is important that military pay at least match expected inflation rates. In the long term, a plan to close the civilian pay comparability gap is needed to avoid an exodus of talent from which we would be hard-pressed to recover.

This completes my presentation and I am prepared to answer your questions.

Chairman NUNN. Thank you very much, General. I am going to defer to Senator Exon, who has another meeting in another committee. I will rotate back to his place later.

Senator EXON. Mr. Chairman thank you very much and thank you for being here, gentlemen. And thank you for holding this hearing, Senator Nunn. It is one of the most important that I think we are going to have this year and we appreciate your taking your time to come in and give us your thoughts. I just have one question before I have to go to Commerce and to the Budget Committee which are all meeting simultaneously unfortunately this morning.

### SUBIC AND CLARK AIR BASES, PHILIPPINES

And it is to you, Admiral Hardisty. I have been very much concered with Subic and Clark Air Bases in the Philippines. I happen to feel that there probably is no long range problem regarding our presence in the Pacific other than with those two bases. I am not sure that we have done enough in the Congress in this area and I have been considering for some time holding some hearings with regard to alternate bases, which I think we should be at least looking at.

I know you are doing some of that in your Command and through the Pentagon. Where do we stand on that right now from your perspective and would you encourage us here in the Congress to begin moving on this area and holding some hearings? And maybe doing some advanced planning from the standpoint of the Congress to alleviate what I think must be a concern to you from the long range standpoint.

Admiral **Hardisty**. Thank you, Senator. We are doing planning. We submitted a report to Congress this past year which I am sure you are aware of. Since I have taken command, we have begun in earnest in looking at several phased withdrawals and alternate locations from the Philippines. I think by this summer, the Secretary of Defense will have a full plan which he can share with the administration and with the Congress. In regard to hearings, I think we will have done our homework to the satisfaction of Congress as to whether we move forward or backward alternatively.

What are the alternatives to the Philippines? There are alternatives. We have a longstanding relationship with the Philippines and I am cautiously optimistic that in 1991 we can reach a favorable renegotiation of the military bases agreement. In the event we do not, we will have alternatives, time lines, a POA&M, and know where we are going after consultations and detailed advanced planning. That would be in consultation with State, the Secretary of Defense, Congress and the administration.

We are working diligently on those plans. But again, I am cautiously optimistic about remaining in the Philippines. We have a longstanding relationship with the Philippine people. We provide stability to the Philippines by our presence. Certainly our presence in that area of the world is very important to the ASEAN nations. They have begun to speak out publicly on that subject. The Philippines' issue is not just a bilateral United States relationship, it is of great regional importance.

The security, the democratic process, the presence and the stability in the Philippines is key to all of the Pacific. So, Japan, Korea, everyone has an interest in the Philippines. Everyone also has an interest in the United States remaining in the Philippines. We are good friends. We are good allies and I hope that relationship will continue, not only for our own mutual benefit but also, for the mutual benefit of all of Southeast Asia as well.

### SECURITY AT SUBIC AND CLARK

Senator **Exon**. Admiral, the last time I was there I took a close look at both Clark and Subic and I am not an expert on security, but at least the impression I got I was satisfied and felt comfortable with the Subic security. I did not feel so with regard to Clark. I understand some significant improvements have been made there.

Can you substantiate that? What do you know about the security of Clark in the surrounding area?

Admiral **Hardisty**. The security at Clark has improved, Senator. We have just completed a perimeter fence which is a high rise fence. One they cannot come in at night, cut it down and penetrate.

Senator EXON. But they cannot graze their goats on Clark as they were when I was there.

Admiral HARDISTY. That is right. They cannot raise their goats there. We are also working with the armed forces of the Philippines through our mutual defense board to relocate all of the very adjacent villages and enclaves of people around the perimeter of Clark. That process is underway under the new compensation agreement that was signed this year. The government of the Philippines' 2 year relocation plan is part of that agreement. That is ongoing.

I can report that the progress is very favorable on that plan. That is going to remove key population pressure including the goats on Clark and those kinds of things. Talk of the goats may sound a little facetious but they are a real fact of life. You saw it, sir.

Senator EXON. I saw it.

Admiral HARDISTY. We have made marked improvements in the security. Also the armed forces of the Philippines have additional security forces at Clark and Subic as a result of a security review. We have a joint pool now of equipment where our security people and the armed forces of the Philippines share the same items. In the past, through our military assistance program, we provided security assistance for the armed forces of the Phlippines. We also had our own security equipment.

We found that by jointly using the same equipment, we keep the equipment in better operation. It is more efficient. The ongoing initiatives that have occurred in the past 18 months, are very positive. I am much more comfortable with the security at Clark.

Senator EXON. Thank you, Admiral. Thank you, Mr. Chairman.

Chairman NUNN. Thank you very much, Senator Exon. Senator Warner.

Senator WARNER. Thank you, Mr. Chairman. I would first inquire of my colleagues is there someone who requires earlier recognition?

Senator WALLOP. Mr. Chairman, I have a statement to give at the Finance Committee at 10 a.m., but it would appear we have plenty of time to reach that.

### SOVIET NAVAL OPERATIONS IN PACIFIC RIM

Senator WARNER. I will cover several questions. Admiral Hardisty, with respect to the changing pattern of Soviet naval operations in the Pacific Rim area, could you comment on how those changes have taken place and the reason for it?

Admiral HARDISTY. Yes, sir. We have seen maybe three or four fewer deployed ships at Cam Rahn Bay over the past 2 years. It is not a significant reduction in the presence there. They have their air capability, the increased construction, the new POL pier, the POL facilities at or near Cam Rahn Bay. This indicates to me the Soviets intend to stay there.

They might pull out a few ships but I do not see any major change in Cam Rahn Bay that would give me a warm feeling. Out-of-area deployment days on the part of the Soviet Navy are down. The numbers of ships in the Indian Ocean are not significantly down, but the number of out of out-of-area deployed days are down.

The exercise program in the last 2 years has diminished a little bit as has going out to blue water beyond the Kuril Islands. We have heard about defensive sufficiency on the part of Secretary General Gorbachev. We see the Soviets operating more in home waters, but we see them operating in more of a combined way. We see them operating in a more sophisticated way, but I think the economy in the Soviet Union is affecting the flying hours and steaming days, O&M if you will. They have the same problems we have.

If it is true that they have taken a 14-percent cut in their defense budget, they are taking a lot of it in the O&M area because those are real dollars and those are then year dollars as we all know only too well. I would say the capability has not changed. Qualitatively the capability is very much improved, Senator Warner, as we discussed, but their pattern of operations has slowed down a bit in the number of out-of-area ship days and the number of days out of port.

## FUTURE OF JAPAN

Senator **Warner**. Turning to the subject of discussion that we had the other morning about the future of Japan and its role in terms of strategic capabilities in that area, what is the sentiment in the Pacific Rim for Japan increasing its military forces, and its military budget?

Admiral **Hardisty**. Well there is some concern among our Pacific Rim neighbors that a significant increase in the Japanese self-defense budget would be bothersome to our neighbors. They have a memory of World War II obviously. They would not like to see Japan develop a power projection capability.

We have asked Japan in our security relationship to develop the capability to defend their sea lanes of communication out to a thousand miles and to provide for the defense of Japan. That is a mutual security agreement where we have an obligation under treaty to assist in the defense of Japan. Japan has faithfully done that for the last 12 years.

They have had a GNP real growth of over 5 percent and in their defense budget; the dichotomy, of course, is that they have always held the defense budget to about 1 percent of GNP. It is slightly more than 1 percent of its gross national product now, but that gross national product has skyrocketed and just keeps growing.

Senator **Warner**. Which places them as I understand it as the third largest defense budget in the world.

Admiral **Hardisty**. It will, with the new defense budget. It will make them number three in the world at the current time.

Senator **Warner**. Well, given their average ever-expanding industrial base, their ever-expanding capability to deal with high technology, they could rather quickly change their defense posture to one of projection, could they not?

Admiral **Hardisty**. The projection, Senator Warner, would have to do with aircraft carriers, battle group type forces, also amphibious forces. They could change that rapidly, but they could not build those ships quite that quickly. We look at them as a fine ASW force, a fine air force, a very fine army. That army is a self-defense force and in numbers would not, without significant growth, be able to have a power projection capability.

But given their technology and ability, that could happen rapidly. I define rapidly in relative terms of where and how it would happen to anyone else. It would still take a number of years, I would think, sir, to develop that capability. Japan can do more, there is no doubt about that. We would like to see Japan do more in burdensharing and in picking up some of the additional expenses of our presence there. They have been doing a good job on those issues, Senator Warner.

### REDUCING PROJECTION CAPABILITIES

Senator **WARNER**. Against that background and if we were to reduce our projection capabilities, primarily as a consequence of budget decisions. If our carrier forces were to be reduced to a level of 12 or 13, what impact would that have on the overall strategic balance in the Pacific Rim area?

Admiral **HARDISTY**. Well, it would have a tremendous impact as I mentioned in my opening remarks. We can bring maritime superiority both in our Navy and in the air to bear in the Pacific.

Senator **WARNER**. As of today?

Admiral **HARDISTY**. As of today. If we were to go to 12 or 13 aircraft carriers, not only would there be the impact on our global commitments, but I could not meet my forward deployment commitments. In crisis or wartime it would be serious—it would affect my war plans seriously, sir.

Senator **WARNER**. General Menetrey, if we were to be forced to go to those levels, and at the same time, there were reductions in our land force commitments, static force commitments, under your jurisdiction, would that not be a double effect in terms of diminution of our ability to defend the interests in that area?

General **MENETREY**. Yes, sir. And perhaps also on our ability to deter war in that area which is our primary goal of course. The deterrence is a combination of things to include the perception of the enemy or the potential enemy. It is comprised of the forces in being, plus those forces that can be deployed within a reasonable period of time.

Senator **WARNER**. And the ability to deploy those forces?

General **MENETREY**. That is right. So that would impact on that, in both cases you would be getting an impact on deterrence.

Senator **WARNER**. So if you were to be forced to have a reduction in your forward deployed static forces, you would have to have a greater emphasis on your ability to redeploy those forces?

General **MENETREY**. Yes, sir. To maintain the same level of either deterrence or war fighting.

Senator **WARNER**. My time is up, Mr. Chairman.

Chairman **NUNN**. Thank you, Senator Warner. General Menetrey, you have already made reference to the tremendous changes that have taken place in Korea in the last 30 years, and I agree with your description of this as being a real success story for American foreign policy. The incentive system, which has been put in place with great success, has helped to build up the economy.

They deserve credit themselves for that. But we deserve some credit for our long term position there, and our deterrent capabilities today. With these changes that have taken place in the South and the North and so forth, do you believe that now it is time to begin looking for some gradual, over a period of years, adjustment in the number of forces we have in Korea?

General **MENETREY**. Sir, we have as you know well, adjusted forces in Korea over the long term since the Korean war. And as the situation changes then I think we should make an assessment of those forces and determine not only in terms of the balance in that region or on that peninsula, but in terms of U.S. interest in the area. We should continually assess that, yes sir.

Chairman **NUNN**. What do you think the position of the South Korean Government is on the long term positioning of U.S. forces in Korea? Are they beginning to reassess it themselves, the government?

General **MENETREY**. Sir, their position as publicly stated and privately stated as well, is that U.S. forces are necessary on the peninsula to deter war on that peninsula for the foreseeable future. At the same time, they are in the midst of a force-improvement program which, in accordance with their stated goals, will result in the ability to deter on their own at some point in the future.

Chairman **NUNN**. Do they have a goal for that timeframe?

General **MENETREY**. A year? It comes out to different years depending a little bit on who is talking about it and so on. But I would say 1995 to the year 2000 are the most common years that are mentioned. It depends, of course, on what North Korea and the Soviet Union do, so it is not an independent variable.

Chairman **NUNN**. Do they talk about not having U.S. forces in South Korea? Having no need for any forces or some residual force?

General **MENETREY**. It is not in that level of detail, sir. It is the statement of an adequate deterrence force on their own. In terms of the U.S. presence, that really has not been discussed.

Chairman **NUNN**. It seems they would have to take that into account as to how they define having enough deterrence for their own. They would have to take into account some assumption about whether U.S. forces would be there, or whether there would be residual forces. You do not think they have gotten into that level of detail yet?

General **MENETREY**. No, sir. I agree with you though that you must take that into account. If you assume an adequate deterrence level, and deterrence is not only the forces in being, but again the forces that could be deployed there in time to have an impact. All of that goes into deterrence or indeed into war fighting which is basically deterrence. And so, yes, you would have to take that into account.

Chairman **NUNN**. If you are thinking in terms of evolutionary developments, would you think in terms of some phase that we would go through having small cadre units there that could be American forces, both air power and ground power, so that we could very quickly bring in the units and flesh them out; but have on the ground units that would be able to be a presence psychologically and also be in charge of the equipment so that it could be ready. Would that be the kind of thinking, hypothetically, that we should be envisioning as we look through the phases and the possible evolution?

General **Menetrey**. Sir, I suppose that is one manner of doing it, certainly. But, it is a question of what are those forces out there for, and obviously, deterrence of war on the peninsula is a primary reason, but there are other reasons, as well. It is a question of how far are the forces away that must reenforce?

If you look at some kind of equipment pool, POMCUS, if you will, type equipment pool, and the rapid deployment of forces by air, or some other manner of deploying forces, Northeast Asia is a long way from the United States, as I am reminded every time I get on an airplane and come back here, if I might say so.

So it depends upon that equation, and it depends primarily, also, I must say, on how that equation is perceived by potential enemies.

So I cannot really answer the question. If you want to look at how to save money, the only way to save money by taking forces out of Korea, is to disband them. Because the maintenance of forces over there, as you know well, is not by any measure, our most expensive place. It is probably our least expensive place.

### THE PHILIPPINES

Chairman **Nunn**. I understand that. Admiral, let me ask you a few questions about the Philippines. What can you say in public session about your current assessment of the political and economic stability of the Aquino government, and in particular, what is the status of the Philippine Government's struggle against the insurgency?

Admiral **Hardisty**. Well, certainly, in public session, sir, I think there has been remarkable progress in the democratic process under Ms. Aquino.

The first thousand days, which were celebrated several months ago, are somewhat of a success story. Certainly, the economy is turned around from a negative growth at the time she took over, to a positive growth—about 5.5 percent last year, projected to be about 6.5 percent this year.

Certainly, the government is not without its problems, but the democratic process is ongoing. They have a constitution; they have representative government. I think the forecast for the democratic process in the Philippines is positive.

They are going to need a lot of assistance. They are getting a good deal of assistance, but they are going to need more to turn their economic problems around.

I think the key to turning the insurgency around is to turn the economy around. I think at the present time, the insurgency of the New People's Army offers an alternative to people who are living below the poverty level that is more attractive than what the government can offer.

Some 50 percent of the Philippine people still live below the poverty level. I believe the key to success in this democratic process is economic assistance, and nation building, if you will.

In regard to the insurgency, the armed forces of the Philippines have markedly improved their capability, in the past 2 years, in combating the insurgency. Their mobility is better, their leadership is better in the field, their sustainability is better. With some assistance from us, but most of it on their own, their leadership has focused on the right types of things to assist the armed forces of the Philippines in combating the insurgency.

The insurgency has been on the rise in the past years as to the numbers of people involved. It has now leveled off at a level which will probably be stable over the next couple of years.

At the current time, the armed forces of the Philippines have the insurgency under control. By under control, I mean it is not going to topple the government. I do not think in the near term, the armed forces of the Philippines will militarily defeat the insurgency. I believe that with help, the economy, will turn around, and in the long term overcome the insurgency.

If we get into closed session, I would like to expand further on that question. For the open session, sir, that is my answer.

Chairman **NUNN**. Thank you, Admiral. My time has expired. I believe Senator McCain is next.

Senator **McCAIN**. Thank you, Mr. Chairman.

And welcome, witnesses. Thank you for your testimony. Admiral Hardisty, Vice President Laurel said yesterday that "Sentiment is growing among key Philippine politicians to oust crucial U.S. bases from the country, when the bases pact expires in 1991."

Do you disagree with Vice President Laurel's assessment?

Admiral **HARDISTY**. No, I do not disagree with that assessment, but I think reason will prevail in 1991. I think we are seeing a lot of rhetoric, and a lot of posturing against the Aquino government. I also think there are a lot of people in the Philippines who would like to be the next President.

We are getting into a lot of politics but when the rubber meets the road, the Philippine polls show more than 70 percent of the people favor the retention of the U.S. facilities. They are all for it.

Again, Senator, I do not disagree with Vice President Laurel, but Vice President Laurel has a political agenda, as well.

Senator **McCAIN**. I understand that. I also think it depends on the price tag, and the American people, I do not think we are going to submit again to what we perceived last time as outright blackmail. But, I would like to switch subjects.

Admiral, do you see any decline in Soviet capability or commitment in the Pacific region?

Admiral **HARDISTY**. None whatsoever. In fact, it has qualitatively improved. Plus 90 general purpose submarines and about 30 ballistic submarines.

We still have 734 surface ships and craft in the Soviet Pacific fleet. They could get rid of 40 or 50, which are over 30 years old, and still have better combat capability than they had 3 years ago. They now have Akulas, Sovremennyys; we have Udaloys, Bear-Hs, and the AS–15.

It is just a wealth of new technology, with much more capable equipment. They have the mainstay, and have improved command and control. All of these are very improved capabilities on the part of the Soviets armed forces in the Pacific, Senator.

### CARRIER BATTLE GROUPS NEEDED

Senator **McCain**. Admiral, General Stackpole indicated in his testimony that he needed eight carrier battle groups to take care of the Atlantic and Mediterranean, four carrier battle groups for the Atlantic and four in the Mediterranean.

How many carrier battle groups do you need in your area of responsibility?

Admiral **Hardisty**. I need seven, Senator, and that gets to 15, the magic number. That has always been, and those plans are built around the 15 deployable battle group Navy. My theater-of-war plans are built around seven.

Senator **McCain**. Thank you.

### DECLINE OF SOVIET CAPABILITIES IN ATLANTIC REGION

General Stackpole, do you see any improvement or decline in Soviet capabilities in the Atlantic region?

General **Stackpole**. I have to echo the comments of Admiral Hardisty. We see the same kind of across-the-board qualitative improvement with newer generation aircraft, and approximately nine new submarines a year being produced.

We see a quieting technology that will be incorporated into at least one-third of the Soviet submarine force in the next 10 years. This requires that we put emphasis on more technically capable acoustic means, et cetera.

Senator **McCain**. What would be the impact? I would like General Stackpole and Admiral Hardisty to respond to a reduction in carrier battle groups, and your ability to carry out your requirements, as they are presently designed.

Admiral **Hardisty**. Number one, if we reduce the number of carrier battle groups, we certainly have to reduce our peacetime commitments, to lessen the reduction impact upon our people. The quality of life and the quality force would be impacted.

To meet our OPTEMPO, our turnaround ratio goals, with less forces, we will have to substitute with battleship battle groups. But even with that substitution, we will have to reduce our carrier presence overseas, and our commitments. We cannot meet those commitments without taking it out of our people, Senator.

Additionally, our wartime plans would have to be adjusted. We would have to do more sequential fighting, or more sequential planning, in how we would bring our forces to bear. It would be a high-risk endeavor in a global situation.

General **Stackpole**. We face the same situation in the Atlantic command. It would be a very high-risk situation for us because both flanks of Europe would lose the flexibility that we presently have. Reduction in the number of carrier battle groups reduces our capability of force projection as well as our ability to protect the reinforcement and resupply of Europe.

Senator **McCain**. So if there was a reduction in the number of carrier battle groups, then we would have to employ a commensurate reduction in commitments?

General **Stackpole**. Indeed, sir, that is correct.

Senator **McCain**. Thank you.

By the way, Admiral, I am glad the goat problem is taken care of. [Laughter.]

Admiral **Hardisty**. Yes, sir.

Senator **McCain**. I know how busy you are, and I am glad that your attention is even.

Admiral **Hardisty**. Believe it or not, I hear about those goats.

### SEALIFT SHORTFALLS

Senator **McCain**. Sealift, General Stackpole. Other witnesses before this committee have indicated that our sealift shortfalls have reached such an alarming degree that it imperils our ability to reenforce NATO. Is that also your opinion?

General **Stackpole**. Yes, sir. That's correct. And the problem is that we have a maritime force in a maritime nation that has been badly decimated. We depend on 50 percent of our shipping for the resupply and reinforcement of Europe, coming from Europe.

We have increased our number of fast support ships. Some $7 billion over the last 10 years have been put in to increasing the Ready-Reserve Force, sealift enhancement programs and maritime prepositioning ship program.

But there is definitely a shortfall, and we are dependent on others rather than our own resources.

### BUDGET PRIORITIES

Senator **McCain**. And you know, I agree with that when we get into budget priorities I would bring that to the attention of the Secretary of Defense, and others, and the Joint Chiefs, because we keep hearing about how serious the problem is. Yet, when the budget priorities come over, we do not have that reflected in budget requests.

So I think, sooner or later, we are either going to have to stop saying that this is a issue of critical importance, and put our money where our mouth is, or just accept the situation as is.

We lose credibility when we say we cannot react to a conflict in Europe, as far as our sealift capability is concerned, and then we come over, and the defense budget comes over, and their priorities, that view is not reflected in their budget priorities.

Admiral Hardisty, we know, all of us know that there is going to be a cut in the defense budget. And all testimony that we get before this committee indicates that our number one priority remains readiness.

It seems to me that we are faced with some difficult choices here. One is to maintain readiness, one is to cut readiness. One is to cut force size, or the other is to cut procurement. We cannot have all of those, in my view, when we are going to have a basically declining defense budget in real terms.

Do you have any ideas as to how we address that problem?

Admiral **Hardisty**. Well, Senator, certainly it is going to be a matter of priorities. I would still protect our readiness as a number one priority. But, one must look at modernization, and at our research and development. If we do not stay abreast of modernization, technology, and new weapon systems, we are going to be behind the power curve.

If you put all those together, I would look at a balance of readiness, R&D, and modernization. I would put force structure number four. Those are the realities given the climate that we are in.

We want a quality force. It might have to be a smaller force.

Senator **McCain**. Would you agree with that, General?

General **Stackpole**. Yes, sir, I do. Our major emphasis in the Atlantic command is on people. The people situation is going to be stabilized only as long as there is a perception that we are ready, that we care, and that we continue to have the flight hours and steaming days to bring proficiency to the force.

Of course, at this particular point, without a strategic review, it is difficult to determine what kind of balance you would achieve. Admiral Kelso would also tell you that force structure would be lower on the priority list.

Senator **McCain**. Thank you very much, Mr. Chairman.

Senator **Levin**. Thank you, Senator McCain.

Now, let me just pick up with that. I do not know that General Menetrey had a thought on that, or not. Do you agree with that?

General **Menetrey**. That is a difficult question. I have to agree with the general thrust of the question, but anybody in a position such as we are, must look at readiness as a first priority.

We, after all, have to think about what happens if war comes tomorrow. There is a balancing of risk, though, versus long-term opportunity. So, that balance has to be subject to your deliberations, and those of the Department of Defense.

But, as a general statement, I would prefer to protect readiness, sustainability, and modernization. We are in great need of continuing our modernization.

Senator **Levin**. And one of the places that we have been looking at over the years for a possible troop reduction, or force structure reduction, because they get intertwined, is Korea. And I know that Senators Nunn and Warner, and others have already asked you about that this morning.

But, let me just pick up that, and before I begin, let me thank you, Admiral Hardisty, and General Menetrey, your people, and you, personally, were very hospitable to me on my recent visit to the Pacific. And we learned a lot in Korea, Japan, and Hawaii, and we appreciate it.

On the Korean troop issue, over 10 years ago it was proposed, rather unilaterally, and precipitously, that troops be reduced in Korea by President Carter. And that created quite a reaction, I think in part, because of the way in which it was done. But, for whatever reasons, and I was not here at the time, there was a very negative reaction to it.

However, it was said at that time, I believe by General Rogers, and this is about 12 years ago, that perhaps at the end of 4 or 5 years, we could begin talking about some reductions. And I think that that has generally been said throughout this period. You know, not now, maybe 4 or 5 years from now. And that, as I gather, is the thrust of the testimony here this morning.

How are we going to ever get to the point where we are going to do some things we have to do now, and in the next year, and the year after, if we take that position?

To put it another way, we want to do this thing, mutually, with the Koreans. We do not want to do it unilaterally; we do not want to do it precipitously. But at some point, and it seems to me, the point is either here or nearby, we have got to take some steps, mutually, intelligently, carefully, thought out, planned, logically, not shooting ourselves in the foot.

But to reduce some troops somewhere, and Korea seems to be at least one possibility, it would help if we could have some confidence-building measures first, from the North Koreans.

I think you would agree with that, would you, General, if we could obtain some steps from the North Koreans, which would give us greater confidence, so that that troop reduction could be eased? Is that a fair statement?

General **Menetrey**. Yes, sir, I certainly do. After all, the purpose of those forces is to deter in that area, and add stability to that area. There are, as we discussed earlier, a little less than 43,000 U.S. personnel in Korea, of which a little less than 31,000 are Army. So, they add a certain deterrence and stability.

Now, the North Korean threat, unlike perhaps Soviet, they are not even talking about reductions, or accommodation. They are increasing.

So, we greatly need some kind of replacement for the armistice, as I mentioned earlier—some kind of discussion about balanced or unbalanced, any kind of force reduction. And we must consult with our rather good ally, the Republic of Korea.

Now, there is a process to do that, and it would go along with the stated Korean objective of building their own sufficiency over time. I would think that those kinds of things that you mentioned could take place.

Senator **Levin**. When do these discussions take place this year? Is it in May?

General **Menetrey**. They are in July this year, sir, here in Washington. As you know, they occur annually.

Senator **Levin**. And, do the South Koreans have the men and material to replace U.S. troops, if, in fact, we mutually decided to withdraw some of them?

General **Menetrey**. The answer to that question, sir, is that if they do not have them, they can get them. It is a prosperous economy, as you know. It would take some time. But, I must say, that the deterrence of war there, is to deter the perception of this rather closed society to the North.

What has deterred war up until now, amongst other things, and strongly, is, not only the U.S. presence, but what that presence implies, in terms of our commitment. And we have been successful so far.

Senator **Levin**. If our presence were reduced in such a way that it was clearly a partial reduction, phased in, with a significant residual force to carry out that same deterrent message, that the 44,000 troops now proclaim, I take it that at least some of, or a significant portion of that deterrent message could be retained that way. Is that a fair statement?

General **Menetrey**. There would, I think, be ways of doing that. Yes, sir. And I would certainly be in favor of that, given the alternative.

You must, of course, realize, as I think everyone does, that you do not save money by withdrawing forces there. You must disband them. Also those forces provide a regional influence, as well as an influence on the peninsula.

So all these factors have to be weighed and force projection factors, and sealift, airlift, all of that, in any of these deliberations.

Senator **Levin**. Look at the possible phased-in reduction of troops in Korea. There is a number of other related issues that I would like you to comment on, if you would, General.

One is the command relationship that we have there, a unique one, as I understand it, because since 1978 we have operated with the Republic of Korea under a combined forces command structure, that has our commander controlling Korean ground forces in peacetime, as well as in wartime.

Now, that creates some problem in the eyes of at least some Koreans, many Koreans, because many Koreans believe it puts South Korea in the role of a junior partner with the United States.

Do you think it would be beneficial to our relations with the Republic of Korea to place a Korean general in charge of ground forces command, which would be created under the combined forces command?

General **Menetrey**. Sir, let me answer it this way, if I might.

One, I agree with your thought process, that it does create a problem in the minds of some Koreans. And a part of that is based on misperception. They feel that I have command of Korean forces. I do not. I have operational control for purposes of carrying out approved plans. These are approved plans by the Republic of Korea, as well as the United States.

It is a combined command. It is not a U.S. command. But, there still is this troublesome thing that you mentioned, and I think it is quite strong. A misperception, perhaps, but also a reflection of the very nationalistic and proud people that they are.

But, in terms of whether you change the structure, and I will not go into the command relationship, because I do not think this committee has time, sometimes I am not sure I understand it completely. In any event, the OPCON goes to the air, sea, and land forces, not just the ground forces, but all of the forces. It is a combined and joint command.

Senator **Levin**. Do you know of any other situation?

General **Menetrey**. If I might, sir, I will be making recommendations on the ground component command part of that, the one you referenced, this July.

Senator **Levin**. In those discussions?

General **Menetrey**. Yes, sir.

Senator **Levin**. Would you share with us your recommendations, when the time comes, for you to make them?

General **Menetrey**. Sir, I would be glad to share them with you, but not at this time, if I might?

Senator **Levin**. No. No. I am saying when the time comes, would you share them with us?

General **Menetrey**. Yes, sir. They are not finalized yet. They have to be put through a process of consultation.

Senator **Thurmond**. Mr. Chairman, could I interrupt just a moment? I am in another committee and I have to be there. I have a brief statement, and I ask you now for that to be included in the record, and I also have a few questions that I would ask to be answered for the record.

I am glad to see you distinguished gentlemen. We are pleased to have you here.

Senator LEVIN. We would be happy to do that, and thank you Senator.

[The prepared statement of Senator Thurmond follows:]

### PREPARED STATEMENT BY SENATOR STROM THURMOND

Mr. Chairman, welcome Admiral Hardisty, General Menetrey, and General Stackpole. It's good to see three of our warfighting commanders.

Mr. Chairman, I believe the next series of hearings on the Pacific and the Third World countries will be among the most important this committee has scheduled this year. Secretary Gorbachev has not yet focused on these regions, and I believe the United States has the opportunity to take the political offensive before Mr. Gorbachev can reorient his public relations campaign toward this vital region of the globe.

Admiral Hardisty indicated in his statement that, although the Soviets have announced troop reductions in the Far East, there has been no reduction in their capabilities. In fact, all the evidence indicates that they have technically improved their forces. This committee must remember that Mr. Gorbachev has given the world a great deal of rhetoric and very little action. Until we see hard evidence of action, we must ensure that our forces are ready to meet all challengers.

Thank you Mr. Chairman.

Senator LEVIN. Do you know of any other place where an American general has, or admiral has operational control of other countries, troops, in peace time?

General MENETREY. In peace time? Not on this scale, at least. There are instances elsewhere for certain reasons. This is, as you said, unique, and it is designed for effectiveness. We, after all, face a potential enemy who is forward deployed, and if you will, in an attack position. So our warning time is very limited, or would be very limited.

Under those circumstances, you must have in place your war time command and control system before the conflict, hopefully. It would aid your response. That was the rationale for the establishment of that system. I think it is a sound system. Whether it will be changed in the future, as a result of force deployments, or changed capabilities, then that should be studied and analyzed, and I think, adjusted, as the circumstances dictate.

Senator LEVIN. There is another issue which has come up, that creates some tension between ourselves, and some of the South Korean public, and that is the Yongsan facility.

Would you agree that our presence at that base does cause some political tension between ourselves and at least some Koreans?

General MENETREY. I would agree it does. Yes, sir.

Senator LEVIN. Are we willing to move out of the Yongsan facility to another base?

General MENETREY. Yes, sir, under certain circumstances.

Senator LEVIN. Tell us what those circumstances are.

General MENETREY. Yes, sir. As you know, we occupy that, more or less by accident. It is not only the headquarters for U.S. forces in Korea, but also the combined command, combined forces command, the United Nations command, and the other commands that are there.

It was occupied and was on the outskirts of Seoul, immediately after the Korean war, and is now in the middle of Seoul. It is very prime real estate, and I have, and nor does the U.S. Government have any objection to moving, provided three conditions are met.

One is, of course, and first and foremost, that the operational capabilities of the headquarters are not diminished.

Two, that the cost of such relocation would be, of course, borne by the Korean Government.

And three, that the quality of life facilities would be equal to, or better than those that we have now.

But there is no basic disagreement, or objection to the movement out of Yongsan.

Senator LEVIN. Has the Korean Government begun to construct another base for us?

General MENETREY. Not at this time. No, sir.

Senator LEVIN. Do we have a timetable for that?

General MENETREY. Not as yet. No, sir.

Senator LEVIN. So what it amounts to is that we have a continuing presence there, that we are at that base, that we would be willing to move to another base under, what seem to be reasonable conditions.

The Korean Government has no time table to move us, and has not begun to move us. And we continue to be something of a lightning rod there, it seems to me for a lot of the discontent that exists in Korean society. It is not a very happy situation, frankly, for the military, either militarily or politically, it seems to me.

And I would hope that in our discussions with the Korean Government before July, and in July, that we would find out what their intentions are. I consider that to be as symbolic of, frankly, the maintenance of the status quo, which we should be interested in changing.

It is not in our interest that we continue to be that lightning rod there, the source of demonstrations and discontent.

Something has got to change in terms of South Korea taking up, filling in for us, if we remove some troops. We have got to start planning that, it seems to me, if we are going to be realistic in terms of changes in the world, economically, politically, militarily.

There are changes going on, and the absence of a plan even a beginning date to move that base, is to me just business as usual. The world is changing. It is changing economically.

South Korea is obviously stronger than she was 10 or 12 years ago. The same thing is true in Western Europe, but, just focusing on South Korea for a minute, and not even getting to Japan, we have got to find some ways, and we are going to need your help, frankly, to realign and redesign and shift some of these responsibilities and I am going to run and vote, but that is just some of my own sentiment.

Admiral, let me just ask you, if you would like to just comment on any of the matters, which I have raised here this morning?

Admiral HARDISTY. Well, we saw your very fine report, both General Menetrey and I, of your trip. Your assessment is right on the mark, Senator.

We do have to make some adjustments. We are planning to make those adjustments. In open session, I could not go into any detail on what those plans are, but I will certainly share them with you privately, as will General Menetrey.

I do not want to get ahead of the Secretary of Defense. But the things we discussed at my headquarters, and that you discussed in Korea, those plans are ongoing, and adjustments do have to be made, and should be made. I recognize that, and that planning is underway.

But, as General Menetrey mentioned, that will be done in consultation with the Republic of Korea, and that will be an ongoing process.

I certainly agree with your thrust. However, we should not be a lightning rod, or a Catch-22.

Senator LEVIN. Admiral, thank you, and General Stackpole, General Menetrey. I am going to have to run and vote, which leaves us with a command problem here. I think we had better recess for 10 minutes, and by that time I know Senator Nunn will be back.

[Recess.]

## TACTICAL AIR COMMAND

Chairman NUNN. The committee will come back to order. Unfortunately, the interruption has precluded some Senators who wanted to come over, from coming, because they have other hearings, but let me just ask a few questions here myself.

When the readiness command was disestablished, and forces command was created as a specified command, it was decided to assign the U.S.-based tactical aircraft to the command of the unified commanders, including CINCLANT and CINCPAC. With commander, Tactical Air Command as the resource manager on behalf of the unified commanders, this essentially made the commander of the Tactical Air Command, a second Air Force component commander to CINCLANT and CINCPAC.

Would you both, Admiral Hardisty and General Stackpole, would you inform the committee how that arrangement is working, in terms of the responsiveness of the Tactical Air Command for the training and operational needs of your commands?

Admiral HARDISTY. I will go first, Senator. Through my Pacific air force component commander, I have a tactical air force. I work through him, back through TAC. If he needs additional resources, or I need additional resources, he works as my Pacific air force commander, back with the Tactical Air Commander.

I do not have any problems with it. On a day-to-day basis, I have my tactical air force in theater, and I do not get augmentation from TAC.

In a wartime situation I get very limited augmentation. In fact, it is so limited that this does not create a problem for me.

Chairman NUNN. In effect, are you saying that your component command out there, with your own air leg is more or less in charge of this TAC wing back here, instead of you being there in charge of it directly?

Admiral HARDISTY. I have the command line but I work it through my component commander, back through to TAC, sir.

Chairman NUNN. General, how about your observations on that?

General STACKPOLE. It has worked exceedingly well, better than we had hoped. Of course, our physical proximity to TAC headquarters has been most helpful in that regard.

Twelfth Air Force has been sub-designated in a variety of plans and works well with the Atlantic Command. They are our Caribbean air force component commander, with headquarters at Bergstrom AFB, Texas and Lieutenant General Kempf, as commander.

On a day-to-day basis, we have an F-15 fighter squadron, located in Iceland, which also comes under TAC. But, again, by having the component headquarters next door to us, we have managed to work out an excellent command and control relationship with them.

Chairman NUNN. Do you work it like Admiral Hardisty, through your component commander, or do you work it directly to the Mid-Atlantic?

General STACKPOLE. We work it through the component commander for operational command. Operational control of the F-15s in Iceland are part of the Iceland Defense Force commander's force.

Chairman Nunn. The second question on this point, under Goldwater-Nichols, you have a say under that statute as to your subordinate commanders. Do you have a voice in the selection, and evaluation of the commander of tactical air command, Admiral?

Admiral HARDISTY. I do not.

General STACKPOLE. Nor does Admiral Kelso, sir.

Chairman NUNN. So, this does not work like a normal, subordinate commander under Goldwater-Nichols?

Admiral HARDISTY. No, it does not. I have a four-star component commander, General McPeak, who is commander of the Pacific Air Forces. I have the say, in answer to your question, on General McPeak, but not on the commander CINC or TAC, sir.

Chairman NUNN. Do you think you should? Do you see a need for it?

Admiral HARDISTY. I have not found the need yet, sir. I do not have any problem with the arrangement. But mine is a little different from LANT. I have a four-star component, who has tactical air forces, all of my tactical air forces are under his command, and they are all in theater.

There is a little difference with the 12th Air Force and LANTs arrangement, but I have no problem with it as is, sir.

Chairman NUNN. General.

General STACKPOLE. We do not have a say in who the commander of the Tactical Air Command is, but our working relationship is extremely good, and, as the component commander, he provides a very valuable conduit to our SAC and MAC relationships also. It has turned out to be an extremely good marriage.

Chairman NUNN. So, neither one of you see any need for changing that arrangement now?

General STACKPOLE. We do not, sir.

Admiral HARDISTY. I do not, sir.

Chairman NUNN. Let me ask both of you, Admiral and General Stackpole, what is your view on the recent proposal to transfer more active ships to the Navy Reserve? Admiral.

Admiral HARDISTY. I am concerned as to whether the Naval Reserve can absorb those ships, Senator. I am also concerned about the reaction time of those ships. It takes a lot of active-duty manning to keep a reserve ship in operation, and those numbers would be of concern.

Certainly, for a limited requirement, we can transfer additional forces to the Naval Reserve. The Navy has planned to do that over the next 5-Year Defense Plan. That ongoing program had been approved previously on the Hill, as part of the budget process.

The additional forces that might go to the Naval Reserve, numbers and so forth would be a matter that we would have to look at very closely, to assure that the Naval Reserve can absorb those ships in a prudent way, sir.

General **Stackpole**. We have a similar problem in the Atlantic command. We are already at a 30-ship escort shortfall, and most of the ships you speak of, sir, are in the destroyer category. We had planned to retire more than 12 of those during the next 2 years. The ability for the Reserves to respond quickly and with the commensurate training levels that we need to achieve, is questionable.

### SPARE PARTS AND MUNITIONS

Chairman **Nunn**. Admiral, I know that you have a policy that when a fleet is underway, you stock it with all the spare parts and munitions required to maintain the highest rate of combat readiness. Is that correct?

Admiral **Hardisty**. That is correct, sir.

Chairman **Nunn**. Well, what does that do to the non-deployed fleet, in their readiness?

Admiral **Hardisty**. Well, the non-deployed fleets readiness, obviously, is not as high as, Senator, as the deployed fleet.

Chairman **Nunn**. The Goldwater-Nichols DOD Reorganization Act of 1986 called for the first review of the combat and commands to include consideration of the creation of a unified combat and command formations, relating to the defense of Northeast Asia. I understand that all of the idea of the creation of a sub-unified command was, of Northeast Asia, was considered a sound one.

It was decided that the political situation in that area did not permit the creation of such a command at the time of the first review.

### SUB-UNIFIED COMBAT AND COMMAND

Could I ask both of you Admiral Hardisty, and General Menetrey, whether you agree that the creation of a sub-unified combat and command for Northeast Asia is a good idea, or do you think it is a bad idea? How do you view it?

Admiral **Hardisty**. Senator, I do not have any trouble with the idea, but I do have a problem in that it is not the right time to do it politically.

Chairman **Nunn**. Politically, within what area?

Admiral **Hardisty**. Well, in Northeast Asia. I do not think——

Chairman **Nunn**. Is that mainly Korea, or Japan, or where?

Admiral **Hardisty**. I am talking Korea and Japan. The Northeast Asia command would, in my view have a single, sub-unified commander, or unified commander in charge of both the forces in Japan and in Korea.

I think we are a long way from being able to achieve that politically. Right now, militarily, I do not see that it would give us any efficiencies. We should wait until we have looked at the changing strategic environment, and any changes that we might make in future force structure. Then, it might be time to look at some kind of a sub-unified command there.

Chairman NUNN. General Menetrey, what is your personal view on that?

General MENETREY. Generally, I agree. It is a good idea, whose time has not come yet. I do believe it would—it is a U.S. command we are talking about, and of course, I am involved with the combined commands as well. It would take time to lay the groundwork for it. But I do believe it would result in not only a better strategic assessment, but some efficiencies, perhaps, in the long run.

I think it should be a goal. I do not think the time is immediate.

Chairman NUNN. General, we did not get through. A little while ago, when I was asking you about the opinion in Korea, we got to talking about the Korean Government, but would you amplify on that question about the opinion over there in Korea, particularly, the opinion of the public as opposed to the government? These of the U.S. forces stationed there, particularly, the area that we occupy in the Seoul area, and so forth?

General MENETREY. Sir, that is a multi-faceted question. I will try and be brief.

Reference the security relationship between the United States and the Republic of Korea. About the best poll that we have lately is it is supported by about 90 percent of the Korean populace. On terms of U.S. forces, at least for the immediate future, the polling indicates about a 70-percent support; so a significant majority, if you will, in favor of continuing the U.S.-ROK relationship, and the presence of forces.

As regards the presence in Yongsan, and Seoul, as we discussed while you were gone, sir, we have no objection to moving. There is no real reason for us not to move. The primary, sort of precondition is, the operational capability of the headquarters, and it is not only U.S. forces, Korea, and Eighth Army, but it is also, and more primarily, the combined forces command, whose headquarters are there. And that is the war-fighting headquarters, and therefore, we must protect its operational capability.

Other than that, and the fact that the cost to be borne by the Korean Government, of course, and the facilities being up to standard, we have no real objection to moving out of Yongsan, realizing we are there more or less by accident. And years ago, that was not in the middle of Seoul. And right now, it is high-priced property.

Chairman NUNN. Have you made that clear in South Korea?

General MENETREY. Yes, sir.

Chairman NUNN. So, there is no doubt in your mind that it is understood that U.S. forces are not adamant about staying there, and you are willing to move, and be flexible. Is that right?

General MENETREY. Yes, sir. That is correct.

Chairman NUNN. And you have made speeches on that, or have you made press——

General MENETREY. Well, I have been questioned on that by the press. It has come out, as a result of that, and also the Korean Government has made that clear, I believe.

Chairman NUNN. What keeps it from happening? What keeps us there?

General MENETREY. Well, it is a difficult problem from the Korean perspective. They have their own problems with the military and the security budget. And they have, of course, it is a long-term proposition, which would take a number of years to go in.

We have agreed to phase it, if phasing makes sense, in terms, again, of operational capability.

For example, the golf course at Yongsan is very much under discussion. So, I would say, it is just a matter of taking time to determine a solution to it.

Chairman NUNN. Let me ask each of you to give us your assessment of the Goldwater-Nichols Reorganization Act—its affect on your command?

Admiral, let us start with you.

Admiral HARDISTY. As I said in my opening remarks, it has been very positive. I am seeing better people assigned to the command, in the joint arena. The promotions, opportunity, and selection has markedly increased with the caliber of people being assigned to the staff.

My authority has been increased. My participation in the resource arena is probably one of the most important, along with the command authority. I do not mean the people are not important, Senator.

On balance, I am very pleased with the Goldwater-Nichols Act, the changes that have been made to enhance the authority, and the participation of the unified commander in the resource arena.

General STACKPOLE. We echo the same sentiments, Senator. Admiral Kelso has had the opportunity to participate throughout the process.

We participate primarily through our component commanders in the POM cycle. We are able, through them, to take our war-fighting concerns up to the services. We also have the opportunity to bring our most critical concerns directly to attention of the SECDEF and CJCS by way of the integrated priority list and the Defense Resources Board interaction.

Chairman NUNN. How about the quality of your personnel in the joint slot?

General STACKPOLE. We are experiencing the same situation—a higher-quality individual, with a better chance for promotion opportunity. However, we are having troubles with the numbers of spots available to us. The Vander Shaft Report, for example, cutting numbers from headquarters. The loss of U.S. Forces Caribbean has diminished the number of joint-duty assignment spots that we have.

### DRUG SITUATION

Chairman NUNN. Let me turn to one other subject here, and that is the drug situation. I do not know whether anyone has asked this question, but my question to you, Admiral Hardisty and General

Stackpole is, the Coast Guard flag officers are now designated as task force commanders for purposes of performance of the DOD mission of detection and monitoring of aerial and maritime transit of illegal drugs in the United States. I think both CINCPAC and CINCLANT have done that.

Would you explain the rationale for that, and how that is working?

Admiral **Hardisty**. Yes, sir. Part of the rationale for that, Senator, was, our wartime organization and the maritime defense zone, both in the Atlantic and the Pacific. We exercise it in peace time. When the Coast Guard comes under the Navy in war time, they become responsible for a maritime defense zone sector, which is contiguous to the coast lines of the United States. That is how we would employ the Coast Guard in time of war.

In developing that wartime organization, which is about 5 years old, we developed and exercised the command and control between the Coast Guard and the Navy. That command and control infrastructure exists today.

Rather than re-invent the wheel, we set up a now joint task force organization with new command and control which seemed most efficient and effective to build upon the current existing organization.

I have a little different situation than Admiral Kelso. I have a dedicated Rear Admiral in the Coast Guard, Rear Admiral Leahy, who has been assigned for the sole task of running my joint task force five.

I am very comfortable with the arrangement, because through my Navy component commander in chief Pacific Fleet, this organization already existed. What we have done is built on it, put additonal people into the intelligence fusion center, built a new headquarters adjacent, or just expanded the current headquarters.

It was a most effective and efficient way to do it. It demanded less resources, particularly, in the command and control and intelligence area, sir.

Chairman **Nunn**. Is it doing the job, in terms of what you believe is the full potential?

Admiral **Hardisty**. Not yet, sir. There is more potential, but we are beginning, as you know, to devote significant, additional DOD resources to the surveillance effort. That is underway.

I am pleased with the results to date. They are moderate; it is a big job. The Pacific is a big area, but I am pleased with our progress to date. I think that is the best thing to say. We are not fully manned in our intelligence organization. We are still ongoing in our coordination with the DEA, with Customs. That coordination is good. We now have good liaison.

We are working out a sharing of our intelligence data banks, and those kinds of things. That is ongoing. Progress is very good, I have seen improved operations in the intelligence and surveillance area.

Chairman **Nunn**. General.

General **Stackpole**. The rationale for using Coast Guard and JTF-4 in the Atlantic area is identical. However, our geography causes us to be somewhat differently structured.

Vice-Admiral Jim Irwin heads up JTF-4, located at Key West. In essence, that staff has fallen in on the facilities that U.S. Forces Caribbean is now transitioning out of.

We expect to be fully operational in July. The difficulty we have right now is the freeing up of personnel and money. The purpose of the operation, is surveillance and tracking. Because of the close Coast Guard work with DEA, and with Customs, we are able to fuse and share information, recognizing that the Coast Guard has the law enforcement aspect assigned to it. We have not had that experience within the active-duty military. Vice Admiral Irwin provides us a wealth of experience that we have not had previously.

I emphasize, however, our mission is to provide intelligence through tracking and surveillance. It is not apprehension.

The other positive note, sir, I would like to pass on to this committee, is that the interaction between JTF-4 and the other countries of the Caribbean has been extremely positive. The Caribbean basin radar network, which will give us an additional set of eyes and ears on traffic in the Caribbean, both maritime and air, is just about to come into being.

We are working with SOUTHCOM also, because part of the radar network will be under their cognizance.

Chairman NUNN. Let me shift to one other subject, and then we will close this hearing out, and I appreciate the patience of all of you, in understanding the delays we have had this morning.

Last week, Admiral Crowe testified in response to a question, that he was of the opinion that the international military education and training programs, so-called IMET, was probably the most cost-effective security assistance program, and that he would be in favor of switching IMET to the DOD budget as a last resort, I suppose, but I think he is down to that stage now, if it could result in better funding for IMET.

### UNDERFUNDING OF IMET

Let me ask you Admiral, you, and General Stackpole, whether you believe that we have a serious problem with underfunding of IMET in your areas of responsibility, and whether you are to the stage where you would really be willing to take it out of the DOD budget, if necessary?

Admiral HARDISTY. It certainly is a significant problem—the underfunding of IMET.

I agree with Admiral Crowe on the DOD side it is our most important security assistance program. It is about $55 million. I do not support the State Department absorbing this responsibility, with Department of Defense funding. I would agree that it ought to accrue to defense, but I agree that it should not come out of the defense budget.

I think security assistance is an overall set of things. IMET is a very important part of it. If it were funded, I think DOD could administrate it better. We need additional funds, Senator. I would not volunteer for it to come out of the defense budget at this time.

Chairman NUNN. You would rather have it continue to go down?

Admiral HARDISTY. No, sir. I do not want it to go down. If it meant coming out of the defense budget, bottom line, I would support that.

Chairman NUNN. I am not saying, or suggesting the State Department is advocating this. This has strictly been in this committee. I do not know that anyone is advocating it at this stage. But it is of great concern to everybody I talk to, dealing with foreign nations, as far as U.S. security is concerned, and I do get the feeling that it is one of those very high priority items that is just being neglected.

Admiral HARDISTY. Well, it certainly is, sir. Security assistance is one of the most important programs I have in the Pacific in my peace-time strategy.

General Stackpole will add to that, as we were talking about it during the recess before the hearing this morning. Ninety-four percent of our security assistance is earmarked. Our security assistance has gone down from something like $6 billion 4 or 5 years ago, to about 5.9, the amount that is earmarked, has gone from about 80 percent up to 94 percent.

I have a very limited security assistance program in the Pacific. It is limited to the point that it is effective only in a few countries due to funding restraints. However, where I do have security assistance, it is one of the most important programs.

Title 10 is the other program where I encourage continued funding. There is no indication that title 10 will not be continued. But with limited security assistance, title 10 achieves double importance in what we are able to do with it.

Those three areas are the most important thing that we can do in our peace-time relations in the Pacific, particularly with our neighbors in the Southern Pacific.

We have 12 new nations there in the last 15 years. Security assistance, and title 10 funding is so important in keeping them oriented in a democratic way. They are western oriented, and need a lot of help in nation building.

Chairman NUNN. General.

General STACKPOLE. The Atlantic command faces the same dilemma. While our security assistance is minimal, the Caribbean is extremely important for the flow of reinforcement and resupply to Europe. We need to have a stable area.

As a result of the loss of funding last year, and only receiving half of the $12 million this year, which is less than that needed to maintain the regional security system in the eastern Caribbean, we have had to resort to a lot of imaginative and innovative efforts. This includes using some of the Harkin amendment funds and using overseas deployment training for National Guard and Reserves to provide a presence in the Caribbean and show our continued interest.

IMET would be extremely valuable to us, both in the international narcotics training effort, and in military education and training. IMET would allow us to maintain that sense of commitment and increase the capability of the Caribbean nations to assist us in the anti-drug effort.

So I, too, would applaud anything that would give us that funding, but I would hesitate to try to take it out of the DOD budget. If pressed, I agree with Admiral Hardisty, we would accept that.

Chairman **Nunn**. Well, we thank all of you for being here today, and it has been a good hearing. We have learned a lot from you, and we know that your areas of responsibility are absolutely critical. You are covering the globe, so to speak, and we appreciate your leadership, and the leadership of the people in your command, and we hope you will express that to them from this committee, and I think, from the Senate. We appreciate your being here and we apologize for the interruptions, and so forth, but that is the nature of this business up here now. You get interrupted a lot. And so, General Menetrey, and Admiral Hardisty, and General Stackpole, we appreciate your coming. Thank you.

Admiral **Hardisty**. Thank you, sir.

General **Stackpole**. Thank you, sir.

General **Menetrey**. Thank you, Mr. Chairman.

[Questions for the hearing record with answers supplied follow:]

### Questions Submitted by Senator Strom Thurmond

#### SOVIET NAVAL THREAT

Senator **Thurmond**. Admiral Hardisty, in your statement you say we must maintain capabilities consistent with the capabilities of potential adversaries. In view of the constraints in the budget and the cuts that we are facing, what do you consider your most important capability in meeting the Soviet naval threat in your area of responsibility?

Admiral **Hardisty**. The Soviet Pacific submarine force, growing in size and capability, presents a strategic threat to our nation with its ballistic-missile carriers, and could jeopardize our abilities to project naval power and secure our sea lines of communication with its fleet of attack submarines. Consequently, our antisubmarine warfare forces, comprised of surface, subsurface and air platforms, represent our most important capability in countering the Soviet naval threat in this area of responsibility.

#### NORTH KOREA

Senator **Thurmond**. In view of the reforms initiated by Secretarty Gorbachev and the changes we have seen in China, do you see any possibility that the regime in North Korea will moderate and adopt some of the more liberal ideas advocated by China and Russia.

General **Menetrey**. Recently, we have been examining this issue in depth and have concluded that for the present there is no likelihood of North Korea liberalizing or restructuring its political and economic processes along the lines being followed by China, the USSR, and some east European countries. In fact, since last year North Korea has intensified its promotion of traditional socialism, juche, and other indigenous doctrines as the only policies for the country. Furthermore, socialist states are collectively being criticized for failing to give full play to the "superiority and vitality" of the socialist system, and for yielding to an alleged U.S. program to destroy socialism and impose capitalism on the communist world. While there has been increased reference to joint ventures and foreign trade in North Korea, the restrictions imposed on these activities make it apparent that there will be only minimal changes, except where North Korea's vital interests are involved.

#### ARMS REDUCTION

Senator **Thurmond**. Secretary Gorbachev's announced reduction in land forces appears to be geared to permit the transfer of resources to improve the Soviet economy.

Since he has not announced any corresponding reductions in naval forces, has he placed other resource constraints, such as a reduction in sailing time, on the fleet?

General **Stackpole**. Gorbachev's most vocal arms reduction initiative has centered on ground forces; however, Soviet naval force operations have declined, and significant force structure reductions have been proposed. Soviet Northern Fleet operations tempo has declined fairly consistently since 1984 (enclosure (1)) as has the number of ship days out of area (enclosure (2)). While the reduction in out of area activity would appear to indicate a reduction in Soviet naval capabilities, we have witnessed an evolution in Soviet exercises of strategic defense of the Northern Flank that requires less out of area activity and concentrates defensive forces closer to the Soviet homeland and their SSBN deployment areas.

We have not as yet observed a slowdown in Soviet naval construction. They continue to construct larger and more capable surface combatants and submarines. At the same time the Soviets have declared their willingness to make substantial reductions in naval forces. Analysis has shown that these proposed reductions are driven by the age and impending block obsolescence of several entire classes of ships and submarines. Elimination of these older units and their attendant operations and maintenance costs, and the addition of a smaller number of larger and more capable units will result in a leaner, more economical force with increased capability.

[Enclosures retained in committee files.]

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## Questions Submitted by Senator John McCain

### ROLE PLAYED IN STRATEGIC PLANNING

Senator McCain. Could you describe the rule that your command now plays in the strategic planning and programming efforts of the Joint Staff and Department of Defense, and how it has affected the preparation of the fiscal year 1990 and fiscal year 1991 budget and FYDP?

General Menetrey. Commander, U.S. Forces, Korea (COMUSKOREA) influences strategic planning, programming, and budgeting by providing input through its higher Headquarters, U.S. Pacific Command (USPACOM), for all Planning, Programming, and Budgeting System (PPBS) matters. One of the vehicles used in PACOM's Integrated Priority List (IPL). The issues/programs identified to PACOM pertain to fixing readiness deficiencies vital to the defense of the Republic of Korea (ROKA) and continuing modernization initiatives for U.S. Forces within Korea. Subunified commands are precluded from submitting IPL's directly to the Joint Chiefs of Staff/Office of Secretary of Defense (JCS/OSD). Therefore, U.S. Forces, Korea (USFK) addresses its regional readiness and sustainability issues by participating in the PACOM IPL process. Additionally, as Commander in Chief, Combined Forces Command (CINCCFC), I provide a list of the Combined Forces Command's (CFC) warfighting requirements to both the U.S. and ROK Chairmen of their respective Joint Chiefs of Staff. Undoubtedly, these readiness concerns are considered in the prioritization process used for allocating resources.

COMUSKOREA influences the Five-Year Defense Plan (FYDP) by two methods. First, COMUSKOREA, provides guidance to its component commands—U.S. Air Forces, Korea (USAFK), U.S. Naval Forces, Korea (USNFK), and Eighth U.S. Army (EUSA)—for consideration when submitting inputs concerning budgets and programs through their respective services. Secondly, COMUSKOREA provides input to Commander in Chief, U.S. Pacific Command (USCINCPAC) for his participation at the Defense Resource Board (DRB).

### ROLE OF USFK

Senator McCain. Could you describe the net assessment activities of your command, and list the studies and net assessment efforts where your command has played a role?

General Menetrey. USFK participates in several JCS-sponsored net assessment activities, but has no unilateral net assessment program. Our primary activity is participation in the development of military options for the Chairman's Net Assessment for Strategic Planning (CNASP), which is conducted as a result of the 1986 Department of Defense Reorganization Act. The USFK role is in providing USCINCPAC a regional, joint perspective complementing the service-oriented component perspectives.

In addition to the CNASP, USFK actively participates in several other net assessment programs. Annually, the command defines the Korean role in the Preparedness Evaluation System/CINC's Preparedness Assessment Report (CSPAR). Related to the CSPAR are the Secretary of Defense Report to Congress on manpower, mobility, sustainability and equipment, and the readiness/force structure update, both of which receive major contributions from USFK through USCINCPAC. Additionally, USFK participates in major JCS War Games, provides inputs to air and naval threat allocations and contributes to the development of competitive strategies. These activities provide an excellent self-evaluation system for USFK, as well as directly affecting JCS assessment programs.

## MILITARY BALANCE

Senator McCain. Can you provide a more comprehensive unclassified assessment of the trends in the military balance between North and South Korea, and of the impact of U.S. forces on that balance? If so, could you provide such summaries for the record and any key charts and statistics?

General Menetrey. An unclassified version of the military balance, by necessity, relies on generalization to preclude disclosure of sensitive collection capabilities and is deliberately vague to limit the potential for miscalculation by an adversary. In discussing the balance of power, it is important to recognize that it involves more than just facts and figures describing force ratios, but also must include subjective analysis involving less quantifiable factors.

a. In terms of force ratios, North Korea (NK) clearly enjoys numerical superiority in virtually every category; it is only in the area of tactical aircraft that we approach numerical parity. For many years the ROK/U.S. Combined Forces Command (CFC) has countered the North's quantitative advantage through reliance on the qualitative advantage provided by U.S. technological superiority in aircraft, weapons, and munitions. Recent improvements by the North in armor, air defense, and radars, as well as the acquisition of the SU-25 offensively-oriented ground attack aircraft represent a trend toward improved sophistication of an already robust and capable North Korean force. The enhanced capabilities resulting from these force improvements narrow the technological advantage used by CFC to offset the numerically-superior North Korean Forces. In the long term, we can expect the technological gap to narrow further, especially if North Korea continues to be aided by the Soviet Union in making force improvements.

b. U.S. Forces have a direct, as well as indirect impact on the balance of forces.

(1) *Direct impact.*—On a daily basis USAF and U.S. Army assets deployed in Korea provide intelligence collection to support intelligence and warning (18W) against a forward deployed, offensively-postured North Korean Force. U.S. intelligence collection involves the use of sophisticated platforms not readily available to ROK Forces. USAF fighter and attack aircraft are equipped with state-of-the-art munitions and high technology capabilities which ROK Forces generally do not possess. The capabilities of U.S. Air Forces deployed in Korea constitute a force multiplier, providing benefits which extend beyond just the number of aircraft. Although many of the aircraft are transferable to the ROK, some of the associated technology is not. On the ground, the U.S. 2d Infantry Division (2ID) provides a significant portion of the anti-armor capabilities in the Ground Component Command (GCC) reserve, the only heavy corps in the ROK or CFC, which is designed to counter the North Korean armor threat. For example, 2ID has 32% of the armor; 21% of the Armored Personnel Carriers (APC's); 54% of the infantry anti-armor systems; and 100% of the attack helicopters. In addition to the quantitative aspect of the 2ID contribution to the military balance, the qualitative contribution will be further enhanced when the current Army of Excellence (AOE) conversion of the 2ID is completed.

(2) *Indirect impact.*—The indirect impact of U.S. Forces, though less quantifiable, transcends the value of its direct contributions. This is particularly true of 2ID. As a forward deployed U.S. Ground Combat Force, it represents a degree of U.S. commitment to the alliance and region, not conveyed by air or naval forces alone. It is the lowest level army force capable of independent operations, and as such its presence implies both the capability and will to immediately engage in ground combat operations should NK attack. The significance of this factor should not be overlooked. Not only does the U.S. have a treaty commitment, but it also has the capability inplace to immediately address that commitment. The presence of this combat force and the knowledge that any attack against the ROK may involve, either internationally or unintentionally, combat with a U.S. Ground Force, has served as a vital component of our deterrent strategy since the end of the Korean War. The presence of U.S. Ground Forces in Korea complicates the military equation on the Peninsula and injects an element of uncertainty for NK. This uncertainty constitutes an unacceptable level of risk and mandates that the North Korean leadership consider total U.S. commitment in its correlation of forces—a no win proposition. Any reduction in this combat capable force may be perceived as a lessening of U.S. resolve and may cause the North to conclude that an attack against the South, designed to rapidly

achieve their objectives while avoiding direct combat with U.S. Forces, may avoid direct U.S. retaliation and therefore, constitutes an acceptable risk. This does not mean that there must be a permanent U.S. military presence in Korea; it does however, mean that when we undertake cost reduction measures we must consider ROK capabilities, as well as the North Korean threat. 2ID is a cost effective force that provides a level of deterrence that cannot be provided by U.S. Air or Naval Forces alone, or a one-for-one replacement by a ROK Army Division. Any decision to withdraw the 2ID should be made in consultation with our ROK Ally and undertaken only as the result of tangible efforts by North Korea in the area of tension reduction/confidence building.

Senator McCAIN. The effort to buildup to 15 Carrier Battle Groups (CVBG)?

General MENETREY. Currently, in execution of a regional plan there are adequate CVBG's to support execution of our campaign plan. However, in the event of a global conflict or multiple contingencies in conjunction with a regional conflict, lack of resources could prevent deployment of CVBG's [deleted]. The absence of CVBG's would have a significant impact on execution of our campaign plan.

Senator McCAIN. The acquisition of the currently planned number of AV-8Bs?

General MENETREY. Minor impact. The impact is limited to a loss of capability by supporting marine forces due to the projected loss of the A4 with no replacement scheduled.

Senator McCAIN. The LHX?

General MENETREY. The loss of the LHX program would be a major impact to CFC's warfighting capabilities in the year 2000. The LHX is a low cost helicopter designed to replace the aging AH-1 and OH-58A helicopter fleets. It will greatly enhance battlefield capabilities, providing light attack, scout and air-to-air combat. The LHX provides 21st century technology, increasing aircraft combat effectiveness, and sustainability characteristics essential for 21st century combat. The aging AH-1 and OH-58 fleet cannot keep pace with the modern day battlefield. The LHX will have the capability to rapidly assimilate battlefield information, allowing the aircraft to acquire, engage and destroy targets in minimum time at reduced vulnerability. Without this aircraft, CFC's warfighting capability will be greatly reduced in the 21st century.

Senator McCAIN. The improved F-14?

General MENETREY. Indirect impact. The only F-14 aircraft are those deployed on CVBG operating in support of CFC.

Senator McCAIN. Additional AH-64s?

General MENETREY. The delay or cancellation of the AH-64 Apache would have a major impact on CFC's warfighting capability. The AH-64 provides a tremendous combat multiplier with its day-night anti-tank capability. It provides state of the art technology with its advance capability to acquire, identify, designate and engage targets (especially at night). The aging AH-1 helicopter does not have the weapons systems to engage targets at night or the ability to integrate the advanced weapon systems (i.e., CAS smart munitions, copperhead, etc). available to the combined arms teams on the modern battlefield. The useful life of the attack and scout helicopters is planned for 20 years and the average age of these aircraft in Korea are 19 and 18½ years respectively. These aircraft cannot assimilate the battlefield information necessary to acquire, engage, and destroy targets, especially at night, against the threat on the Korean Peninsula.

### RISKS FACED IN DEFICIENCIES OF FORCES

Senator McCAIN. What are the major risks you face because of the deficiencies in the forces currently available to you, and to what extent will each risk increase or decrease with the resource levels currently projected in the FY90 an FY94 Five-Year Defense Program (FYDP)? To what extent can further major reductions be made in the portion of the FYDP affecting your forces without increasing these risks?

General MENETREY. Comments provided on Question 6 address the impact that cuts in specific programs (V-22, C17, etc.) will have on Korea. In considering risk associated with potential budgetary constraints it is important to remember that our current force, budget force, and program force are already resource constrained. The CINC's minimum risk force is the only unconstrained force that describes what is needed to prosecute our national strategy. The difference between the unconstrained minimum risk force and the current force defines the risk we are accepting. Over time we have attemped to reduce our risk by various means such as forward deployment (in part to offset shortages in strategic lift) and the force multiplier aspects of technological superiority (in part to offset unfavorable force ratios, but also to avoid the cost of a large standing force). These efforts at risk reduction are often contained in the budget or programmed force, and are now being considered for additional cuts. Taken in isolation, these cuts will achieve the objective of reducing expenditures; however, we must also recognize that many are "system" improvements designed to offset a capability shortfall—in a resource constrained environment. Others are "band-aids", initially designed as a low cost alternative to support our strategy. Considering all of this, almost any cut incurs significant risk. We are rapidly approaching the point that we may have to redefine our goals, objectives and strategy to meet our capabilities.

The FYDP funding levels earmarked for Korea generally maintain the current USFK/EUSA force structure, continue the scheduled force modernization efforts, and meet training (OPTEMPO) requirements. At this level of funding USFK risks remain relatively constant and, in fact, based on capabilities gained through programmed force modernization efforts are slightly reduced. However, it must be recognized that the details of individual service cuts, resulting from the Defense Review Board (DRB), are not yet known in this theater. Sustainability continues as a concern since the FYDP slows the purchase of sustainment stocks (munitions and Pre-positioned War Reserve Stocks (PWRS) that were programmed for Korea. Simply stated, the risk associated with this delay is that my ability to sustain the fight is limited to the on-hand munitions and equipment. This limitation has an operational impact since commanders will be constrained by a controlled supply rate rather than the required supply rate. As a warfighting commander charged with, if necessary, executing the war today I consider this risk significant. However, I also realize that in a resource constrained environment my near term requirements must be balanced against future requirements/capabilities, provided by force modernization and structure improvements. These improvements, if realized, will significantly enhance our warfighting capabilities. In addition to sustainability, there were minor reductions in the out years to Real Property Maintenance Army (RPMA) and base operations accounts that will primarily be an inconvenience, however, should these reductions continue in the future they will have an impact on the quality of life.

### SOUTH KOREA

Senator **McCain**. What additional improvements would you like to see South Korea make in its forces during 1990–1994? Could you provide a prioritized list for each service?

General **Menetrey**. [Deleted.]

### SOUTH KOREA BURDENSHARING

Senator **McCain**. What burdensharing contributions does South Korea make to the United States? Could you provide a prioritized list of additional measures you would like to see South Korea take between 1990 and 1994?

General **Menetrey**. [Deleted.]

As we move toward 1994, these priorities are subject to changes for a variety of reasons, to include economic and political changes within the United States and/or the ROK, as well as changes in the U.S./ROK security relationship.

### SOUTH KOREA'S FORWARD DEPLOYED FORCES

Senator **McCain**. Is South Korea capable of moving toward 100 percent offset of the costs of maintaining forward deployed forces in South Korea by 1994? If not, what level of offset can it fund?

General **Menetrey**. In purely economic terms, it is conceivable that the ROK would have the capability of paying all the costs of maintaining U.S. Forces in Korea by 1994. This assumes, of course, that the Korean economy continues to grow in a manner similar to what we have witnessed in the past few years. The impact of such factors as domestic labor unrest, the value of the won, and Korea's dependence on external markets could have a negative impact on future economic growth.

The more important question is whether the ROK government or the Korean people are prepared to make such a commitment, and whether any nation should make such a demand upon any ally. Such a proposal goes beyond the bounds of what could reasonably be called cost sharing and casts us in the light of selling our military services. The existence of the U.S.-ROK alliance presupposes that both parties share common concerns and have a vested interest in maintaining the alliance as a means of addressing those concerns. Since both parties are served by the alliance, each is expected to share the risks, roles, and responsibilities attendant to the alliance, in a manner commensurate with their ability to contribute. As the alliance evolves and the ability of each partner to contribute changes, adjustment in the sharing of costs or burdens must be made. At such time as the alliance ceases to serve the interests of any party, adjustments or termination of the relationship should be considered.

In the case of the U.S.-ROK alliance, if we believe that our interests are no longer served by the relationship, the appropriate action is to dissolve the alliance, rather than asking our partner to assume 100 percent of the costs. On the other hand, if we believe the alliances still serves our interests, we should be willing to assume a fair share of the burden.

We believe that the ROK can and should assume a greater share of the risks, roles, and responsibilities of the alliance, and that remains one of our primary objectives. I expect by 1994 and perhaps sooner, the ROK will have assumed their fair share of the costs of our security relationship.

### PRIORITIZING U.S. FORCES CUTS

Senator **McCain**. If limited cuts in U.S. forces in South Korea are required. What is your prioritized list for such cuts?

General **Menetrey**. Without being provided the parameters governing a force cut, such as: is there a change in national strategy?; is the objective of the cut, economic, political or military?; how large is a limited cut?; is this a force structure cut or a redeployment involving POMCUS, etc. It is difficult to answer this question; however, given the absence of any other guidance, I will assume we desire to maintain an adequate level of deterrence. The underlying principle governing my response is that U.S. forces must not be neutered by the piecemeal withdrawal of combat forces. I want to emphasize that my response is the direct result of your question and does not represent an endorsement of any immediate troop reduction. I do not believe such a cut is warranted at this time. I also want to emphasize that during this sensitive period of negotiations between the South and North—it is critical that any decision on U.S. force presence be undertaken only after close consultations with the ROK Government.

Assuming that a limited cut involves a reduction of approximately 4–5 percent we would attempt to achieve this level by: Streamlining the base operations structure, transferring select USAF support elements off Peninsula, closing some USAF ranges, and eliminating or transferring other USFK elements as necessary to achieve the desired force levels. Specific units affected would be determined based upon whether this was a force structure cut or a redeployment within the theater. Should a limited cut be in the more severe 10–20 percent range, our approach would include those cuts previously discussed, as well as consolidation or reduction in services, the closure of USAF air bases and transfer of assets to the ROK, and elimination or transfer of selected combat support elements. Once again, the specifics would be determined by the objective of the cuts (force structure cut or transfer within theater).

My assessment is that if a limited cut is defined as 4–5 percent we can accomplish it with minor impact on our warfighting capability. A more severe cut in the 10–12 percent range will have a moderate impact on our warfighting capabilities and must be tied into the ROK force improvement plan. If force cuts are required, I believe these can be best accomplished by providing commanders with the objectives and the parameters and allowing to make force reduction recommendations.

### NORTH KOREA AND UNITED STATES FORCE CUTS

Senator **McCain**. Are there any confidence building measures North Korea could take that would allow the United States to make limited force cuts?

General **Menetrey**. There are several measures North Korea could take to reduce tensions which might eventually lead to limited U.S. force cuts. These measures include:

Verifiable reductions in active duty and/or reserve forces.

Withdrawal of troops and weapons from forward areas.

Removal of hardened artillery sites (HARTS) from the forward areas.

Reduction in the scale and frequency of military exercises.

Cessation of the acquisition or deployment of advanced weapons systems.

Cessation of activities designed to undermine the ROK Government and/or the U.S.-ROK relationship.

Past efforts by the United Nations Command Military Armistice Commission (UNCMAC) to promote confidence building measures have failed. The North has consistently responded to these efforts with rhetoric and counterproposals designed to provide them with military and political advantages over the ROK.

### PARTICIPATION IN JOINT PLANNING AND PROGRAMMING

Senator McCain. Could you describe the role that USCINCLANT now plays in the strategic planning and programming efforts of the Joint Staff and Department of Defense, and how it has affected the preparation of the fiscal year 1990 and fiscal year 1991 budget and FYDP?

General Stackpole. USCINCLANT participates throughout the PPBS cycle. We play an important part early on in the Planning phase, outlining our theater strategy and developing attendant requirements. Throughout the process, the CINC has several opportunities to input warfighting priorities, review program options and address serious concerns to CJCS, SECDEF and the Services. The Services (through our Components) work the program/budget details and periodically report the status of the most important concerns. The CINCs were involved with the Defense Resources Board in developing the original FY90–94 FYDP as well as the most recent adjustments to the FY90/91 Budget. We had opportunities to discuss our concerns as the various programs were scrutinized. All of USCINCLANT's top priorities were appropriately considered. Unfortunately, given the funding constraints, several important programs were partially funded, deferred or cancelled.

### NET ASSESSMENTS

Senator McCain. Could you describe the net assessment activities of CINCLANT and list the studies and net assessment efforts where CINCLANT has played a role?

General Stackpole. Net assessment, as a formalized process, is a relatively recent initiative stemming from the Goldwater-Nichols Department of Defense Reorganization Act of 1986. The resultant product, or net assessment, was developed only after USCINCLANT had ample opportunity to participate in the iterative process lead by CJCS. This process is still evolving in an effort to improve the quality of information provided to the consumer.

Looking toward the future and attempting to make better informed decisions, USCINCLANT is adding a new computer-assisted wargaming capability which will be linked to computers at the Joint Staff in Washington, DC and the other unified and specified commanders. This system, called Modern Aids to Planning Program, or MAPP, will help us evaluate the effectiveness of our warplans and to make inputs on DOD-wide analyses of future force levels and mixes. This capability will augment traditional methods which used to identify weaknesses and enhance our effectiveness.

### SUMMARY ASSESSMENTS

Senator McCain. Does USCINCLANT have summary assessments of the trends in the NATO and Warsaw Pact, and U.S. and Soviet naval balance as it affects the Central Region, on the Northern Flank, on the Southern Flank, and at sea? If so, could you provide such summaries for the records and any key charts and statistics?

General Stackpole. While USCINCLANT does some assessment on NATO and the Warsaw Pact and U.S. and Soviet naval balance, the detailed information you are asking for would have to come from other sources. Additionally, our emphasis is on the Northern Flank due to the maritime nature of our command and our area of operations.

[Chart retained in committee files.]

### REDUCTION OF FORCES RISKS

Senator McCain. What are the major risks you face because of the deficiencies in the forces currently available to you, and to what extent will each projected in the fiscal year 1990 to fiscal year 1994 FYDP? To what extent can further major reductions be made in the portion of the FYDP affecting your forces without increasing these risks?

General Stackpole. [Deleted.]

### NATO NAVAL CONTRIBUTIONS

Senator McCain. Could you provide further details on the naval contributions of our NATO allies and their importance you describe on page 6 of your testimony? To be specific, could you summarize the contribution of each individual country and indicate the extent to which you project that its current force levels and capabilities will be sustained through fiscal year 1994?

General **Stackpole**. The Naval arena is certainly an area of overall success in terms of appropriate sharing of the NATO burden. Allied countries continue to provide excellent support to the NATO Naval effort. Our allies provide 100 percent of all mine countermeasure ships, 100 percent of our diesel submarines, over 50 percent of all reinforcements and resupply ships, almost 50 percent of all escort ships, and 100 percent of all ASW aircraft carriers. It is also difficult to split out naval burden-sharing from overall burden-sharing as some of the NATO allies are historical land powers and provide much of NATO in the form of land forces, air power and garrisoning facilities, while providing less sea power. To look at a particular nation's naval contribution alone is far too narrow of an approach.

For the same reasons that we do, our allies base their naval efforts on their NATO and national commitments. Most of our allies perceive that they have less of a global commitment than the U.S., and their naval structure reflects this. The allied navies are strong in escorts, mine countermeasure ships, diesel submarines and reinforcement/resupply ships. They purposefully possess fewer carriers, nuclear submarines, battleships, and other power projection combatants. Indications are those force levels will be sustained through 1994. For further information, I recommend a report already provided to Congress by previous SECDEF, Carlucci, Report on Allied Contributions to "The Common Defense" March 1988.

### IMPROVEMENTS IN ALLIED FORCES

Senator **McCain**. What major improvements in allied naval, naval air, and Amphibious capabilities would you like to see between now and fiscal year 1994? What improvements in burdensharing? Could you provide a summary for each NATO country?

General **Stackpole**. Curently all allied navies can meet their assigned missions within the NATO naval structure and we continue to see improvements. Prospects are good for increased allied naval burdensharing. The continuing integration of Spain's forces into NATO, will certainly help. Improved exercises with the French will also increase NATO's capability. The Portuguese are improving their capabilities with their MEKO Frigates and acquisition of P-3s for ASW. West Germany and the Netherlands continue to improve their ASW capability. We continue to improve the already excellent interoperability between ourselves Great Britain, and Canada. I highly recommend SECDEF Carlucci Report of March 1988 for additional details and country summaries of each nation's contribution to the common defense.

### STRATEGIC PLANNING AND PROGRAMMING

Senator **McCain**. Could you describe the role that PACOM now plays in the strategic planning and programming efforts of the Joint Staff and Department of Defense, and how it has affected the preparation of the fiscal year 1990 and fiscal year 1991 budget and FYDP?

Admiral **Hardisty**. I participate actively in all phases of the Department of Defense Planning, Programming, and Budgeting System. During the Development of the Joint Strategic Planning Document, I provide comments and recommendations to the Joint Staff on matters of concern to the Pacific Command. I also review and submit input to the Defense Guidance.

In the programming phase, I submit major warfighting concerns and suggested solutions by means of an Integrated Priority List, comment on Service Program Objective Memoranda, and provide input to the Joint Program Assessment Memorandum. In addition, the Pacific Command voice is heard when I meet with the Defense Resources Board during Program Review.

Overall, my role and influence in planning and programming has grown and matured in recent years. I am satisfied that Pacific Command interests and concerns have been fairly considered in development of the fiscal years 1990 and 1991 budget and fiscal years 1990 to 1994 Five year Defense Plan.

### NET ASSESSMENT

Senator **McCain**. Could you describe the net assessment activities of PACOM, and list the studies and new assessment efforts where PACOM has played a role?

Admiral **Hardisty**. The Pacific Command's views are considered in the preparation of the Joint Military Net Assessment, which the Secretary of Defense presents to the Congress. We also provide advice to the Joint Chiefs of Staff in the preparation of the Chairman's Net Assessment for Strategic Planning, a document used by the Secretary and the President in building the Defense Guidance.

### UNITED STATES/SOVIET MILITARY BALANCE

Senator McCAIN. Does PACOM have summary assessments of the trends in the U.S. and Soviet and regional military balance as it affects the defense of Japan, the defense of South Korea, and the defense of Southeast Asia, a naval war in the Pacific, and nuclear exchange? If so, could you provide such summaries for the records and any key charts and statistics?

Admiral HARDISTY. An assessment by the Chairman of the Joint Chiefs of Staff is ongoing. I have contributed my perspective on the existing and out-year Soviet threat, and I have analyzed U.S. forces capabilities. Subject to DOD review and approval that information will be provided by Admiral Crowe.

### RISKS FACED IN FORCE CUTS

Senator McCAIN. What are the major risks you face because of the deficiencies in the forces currently available to you, and to what extent will each risk increase or decrease with the resource levels currently projected in the FY 1990 to FY 1994 FYDP? To what extent can further major reductions be made in the portion of the FYDP affecting your forces without increasing these risks?

Admiral HARDISTY. Anti-submarine Warfare (ASW) remains one of my highest priorities because the Soviets are constantly improving their equipment. The Soviet Navy has managed to quiet its newest submarines to such a degree that it degrades substantially our ability to detect them. The deficiency will impact on our ability to maintain the sea lines of communication during a crisis situation. This in turn may influence the outcome of hostilities in the Pacific. Our equipment must keep pace with technology in order for us to locate and track the Soviets, but this cannot be accomplished if funding for ASW programs decreases. Further budget reductions affecting Pacific forces cannot be absorbed without reducing our ability to accomplish our peacetime mission of deterrence as well as our wartime mission.

### IRAN-IRAQ WAR

Senator McCAIN. How has the end of the Iran-Iraq War changed your mission and the requirement to provide naval power for the Indian Ocean and Gulf areas?

Admiral HARDISTY. We certainly welcome the end of the Iran-Iraq War as a major step toward stability and security in that part of the world. In conjunction with USCENTCOM forces, our Pacific Fleet maintains Indian Ocean presence to protect the sea lanes which are vital to the free flow of commerce. This includes oil, from Persian Gulf countries, which is destined for the U.S. and our friends and allies around the globe. Our mission to protect these sea lanes, however, has not changed.

### IMPACT OF PROGRAM DELAYS AND CANCELLATIONS

Senator McCAIN. What would the probable impact be on USCINCLANT's future capabilities of a major delay or cancellation of the following programs:

a. The V-22?

b. The C-17?

c. The effort to build-up to 15 carrier battle groups?

d. The acquisition of the currently planned number of AV-8Bs?

e. The SSN-21?

f. The improved F-14?

General STACKPOLE. Impact on USCINCLANT warfighting capabilities of deferring or cancelling the following programs:

a. V-22: Would result in loss of a key element that optimizes future USMC over-the-horizon assault capabilities as well as infiltration/exfiltration capability for SOF forces. The V-22 has the necessary increased range, speed and survivability.

b. C-17: Would leave a serious shortfall in strategic airlift required to deploy forces to all theaters in a global conflict. Although USCINCLANT proportion of airlift is relatively small, timely closure of forces is vital to meet our forward defense strategy.

c. Fifteen carrier battle groups: Would fail to satisfy combined wartime requirements of USCINCLANT, USCINCEUR and CINCPAC. Without reduced peacetime/contingency commitments, would cause higher deployment rates for remaining carriers and affect PERSTEMPO.

d. AV-8B: Would result in eventual reduction in USMC light attack aircraft squadrons. Would also stop important engine upgrades and night attack capability enhancements.

e. SSN-21: Would stop USCINCLANT's highest priority modernization effort and allow the Soviets to close the gap in ASW capability even further. We must procure the SSN-21, a multifunctional platform that counters the new quieter generation of Soviet submarines.

f. Improved F-14: Would result in loss of important capabilities provided by upgraded engines, radar and avionics packages. Would eventually result, through attrition, in depletion of F-14 force structure.

### IMPACT OF PROGRAM DELAYS AND CANCELLATIONS

Senator McCain. What would the probable impact be on PACOM's future capabilities of a major delay or cancellation of the following programs:

a. The V-22.

b. The C-17.

c. The effort to build up to 15-carrier battle groups?

d. The acquisition of the currently planned number of AV-8Bs?

e. The SSN-21?

f. The improved F-14?

General Menetrey. Since USPACOM has only 17 percent of the active duty force to monitor 50 percent of the earth's surface, delay or cancellation of these programs would have an important impact on future capabilities. Force modernization is needed to keep pace with the threat we face in the Pacific. The V-22 could be a key ingredient in the Marine Corps' over-the-horizon capability throughout the spectrum of conflict. Its unique characteristics could also permit the conduct of a wider variety of noncombatant operations. The increased versatility of the C-17 cannot be matched by existing aircraft. It would offset airlift capability that will be lost as older aircraft are retired from the active inventory and will be the mainstay of our airlift capability into the next century. The addition of a 15-carrier battle group would contribute to the projection of naval power in the Pacific and worldwide, reduce deployment lengths, and improve personnel morale. Any delay or cancellation in the acquisition of the currently planned number of AV-8Bs impacts directly on USPACOM's ability both to maintain a training base of AV-8Bs and to continue a reasonable deployment rotation in the Western Pacific. The Soviet Pacific submarine force, growing in size and capability, presents a strategic threat to our Nation with its ballistic-missile carriers, and could jeopardize our abilities to project naval power and secure our sea lines of communication with its fleet of attack submarines. Consequently, our antisubmarine warfare forces, comprised of surface, subsurface, and air platforms, represent our most important capability in countering the Soviet naval threat in this area of responsibility. The SSN-21 Seawolf is the linchpin in the strategic modernization of the subsurface antisubmarine warfare force. An improved capability is needed to replace the F-14A, which is approaching obsolescence. Failure to provide fighter protection capable of countering the air threat faced by today's battle groups will jeopardize the safety of those battle groups, or require such restrictive defense posturing as to diminish the battle groups' effectiveness.

### AREA OF RESPONSIBILITY

Senator McCain. What would the probable impact be on your command's future capabilities of a major delay or cancellation of the following programs?

General Menetrey. Most of the programs cited represent systems that are not currently deployed within COMUSKOREA's Area of Responsibility (AOR); however, some of these programs affect forces which are earmarked as augmentation in the event of conflict on the Korean Peninsula. Others have an impact on strategic mobility or force availability in the execution of global war plans. Finally, almost all are force improvement programs that would enhance the capabilities of the programmed force and/or are designed to replace aging systems. When we trade-off force improvements we allow less sophisticated forces to narrow the technological edge we currently have. Frequently, this technological edge is used to justify/offset to unfavorable force ratios and to the extent this gap is narrowed, we are accepting additional risk. Specific comments follow:

Senator McCain. The V-22?

General Menetrey. Primary impact of cancellation in the near term is minimal. In the future, it denies a capability that would significantly enhance operational flexibility of this force in support of CFC operational plans. The V-22 would have provided the Marine forces an over-the-horizon assault capability to be used in conjunction with the Landing Craft Air Cushioned (LCAC). The speed and extended range of this aircraft would have opened amphibious assault and raid opportunities into areas where hydrographic and beach characteristics made an assault unlikely. The capabilities of the system would have exploited the paranoia of NK about U.S. amphibious capabilities and provided operational possibilities not previously available. In addition, the current CH-46 helicopter fleet will have aged another five years, with no programmed replacement in sight, while the continued operational readiness of the CH-46 will become questionable.

Senator **McCain**. The C-17?

General **Menetrey**. Cancellation/delay of this program has both a near and long term impact. In the near term, our current flow of augmenting forces is constrained by availability of a second Aerial Port of Debarkation (APOD) and transit time for sea resupply. The C-17 capabilities will provide the possibility of additional APODs and the potential for direct delivery to forward airfields, a capability not available from current strategic lift assets. As we consider reducing our forward deployed forces in the future, we must have adequate strategic lift assets available to redeploy these forces. Our current strategic lift, especially in a global confrontation or to support conflict in multiple regions, is inadequate. Our strategy as currently defined requires either forward deployed forces or the necessary strategic lift to deploy forces from CONUS in a timely manner.

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## QUESTIONS SUBMITTED BY SENATOR MALCOLM WALLOP

### DEFENSE OF THE UNITED STATES

Senator **Wallop**. How important and in what ways do you regard it important to provide effective, but not perfect, defenses for the fleet: Is fleet air defense—against a wide variety of threats—not a central concern of the Navy?

In this context, if you would not send your fleet into battle without effective air defenses, do you think it is important that we provide effective defenses for the people of the United States? We, as politicians, are in the position of having to make the decisions of whether it will be war or peace. Shall we expect the American people to feel confident to enter a future shooting war with a great power adversary totally undefended?

General **Stackpole**. It is essential that we provide effective defenses for the people of the United States against all types of threat to include air.

### ASAT

Senator **Wallop**. How do you feel about the requirement for developing an ASAT capability for the U.S.?

General **Stackpole**. I believe that a U.S. ASAT capability is required for deterrence and for the ability to respond-in-kind to Soviet attack on U.S. orbiting space systems. [Deleted.] An effectively employed U.S. ASAT would definitely increase the success of naval operations and reinforcement transit of the Atlantic in support of a European war.

Senator **Wallop**. In particular, how critical are the satellites to fleet activities?

General **Stackpole**. [Deleted.]

Senator **Wallop**. How threatening or potentially threatening are Soviet satellite reconnaissance assets to our fleet?

General **Stackpole**. The primary Soviet surveillance threats to maritime operations in the Atlantic are the RORSAT, EORSAT, and ELINT satellites. [Deleted.]

Senator **Wallop**. Do you support the MIRACL laser program as a near-term directed-energy ASAT capability?

General **Stackpole**. Yes, because the Soviets have developed a ground based laser system that is capable of causing subsystem damage to low orbiting satellites. [Deleted.]

### DEFENSES FOR THE FLEET

Senator **Wallop**. How important and in what ways do you regard it important to provide effective, but not perfect, defenses for the fleet? Is fleet air defense—against a wide variety of threats not a central concern of the Navy?

Admiral **Hardisty**. I am always concerned about protecting our forces. To maintain our warfighting capability, it is important to provide the best defenses we can afford. Of course, we can never be 100 percent certain that our array of fleet defense will succeed against all potential threats. By maintaining a balance of forces to support the antisubmarine warfare, fleet air defense, and antisurface warfare missions, we can protect our combat ships and aviation from the most likely threats.

Senator **Wallop**. In this context, if you would not send your fleet into battle without effective air defense, do you think it is important that we provide effective defenses for the people of the United States? We, as politicians, are in the position of having to make the decision of whether it will be war or peace. Shall we expect the American people to feel confident to enter a future shooting war with a great power adversary totally undefended?

Admiral **Hardisty**. The American people should, more properly, have confidence in our ability to deter war. The best defense I can provide is to convince any potential adversary that the probable costs of aggression will far exceed any potential gain. Furthermore, the best (and incidentally most economical) way to deter aggression is to have forward presence and a network of robust alliances. Forward deployed, combat ready forces and strong, self-sufficient friends are the way:

—in peacetime, we gain access to markets, facilities, and institutions so that we can participate in and influence events effecting our interests,

—in crisis, we provide credible deterrence,

—and, if war should come, we end it quickly on terms favorable to us.

### ASAT

Senator **Wallop**. How do you feel about the requirement for developing an ASAT capability for the United States? In particular, how critical are the satellites to fleet activities? How threatening or potentially threatening are Soviet satellite reconnaissance assets to our fleet? Do you support the MIRACL laser program as a near-term directed-energy ASAT capability?

Admiral **Hardisty**. I support the development of an ASAT capability for the United States. The need for ASAT exists because the asymmetry between U.S. and Soviet ASAT capabilities and our inability to respond in kind to an ASAT threat. [Deleted.] Soviet satellite reconnaissance assets are threatening to our fleet. They have two unique systems, the Radar Ocean Reconnaissance Satellite (RORSAT) and the Electronic Ocean Reconnaissance Satellite (EORSAT). RORSAT scans the ocean for ships, which with highly reflective properties are hard to hide from radar. EORSAT detects and locates electronic emissions. If a ship tried to jam RORSAT, it would illuminate its position for EORSAT. These two have been placed in orbits that allow them to work cooperatively. Once they locate a ship, information is down-linked to land and sea based Soviet combatants, who can target the ship with long-range standoff weapons. [Deleted.] I also support the Mid-Infrared Advanced Chemical Laser (MIRACL) program as a near-term DE ASAT capability. [Deleted.]

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## Questions Submitted by Senator Slade Gorton

### EVERETT, WASHINGTON

Senator **Gorton**. Please comment on the need and requirement for a strategic homeport at Everett, Washington? How would the port enhance the roles and missions of the Pacific Command?

Admiral **Hardisty**. I support the strategic homeporting concept. A homeport in Everett, WA would support our strategic mission in the Pacific. It would provide the basic infrastructure for forces biased there and serve as a launching point to counter aggression in the North Pacific. However, given a choice, I would rather continue homeporting the USS *Midway*, or another aircraft carrier, in Japan. I feel our forward deployed deterrent forces best support the Pacific Command mission of deterring aggression and thus defending the United States.

### PHILIPPINES

Senator **Gorton**. What are your feelings about the need to maintain our air field and naval base in the Philippines? At what point do the financial costs of assuring U.S. access to those facilities outweigh their contribution to U.S. security?

Admiral **Hardisty**. I believe the United States should remain firm in its commitment to the Philippines by maintaining our presence at Clark Air Base, Subic Bay, and the other ancillary U.S. facilities. The bases are in a key geostrategic position for the U.S. Pacific Command to execute its forward defense commitments in Southeast Asia, the South China Sea, and the Indian Ocean. The facilities, built up over the years, also provide excellent training, ship repair, and logistics support. Moreover, our presence provides equilibrium to an area that is experiencing new democratic activity and encouraging economic growth. Our U.S. military forces are a constant deterrent to anyone who would interrupt the critical sea routes that carry 50 percent of Asia's oil and 80 percent of its strategic materials.

It is difficult, if not impossible, to weigh the financial costs of our U.S. presence in the Philippines against the contribution to U.S. security. As I have mentioned, our presence in the Philippines protects the keys to Western Pacific economies, which in turn, add to the United State's own economic well being. [Deleted.]

I do believe however, that we are reaching the maximum level of compensation that the U.S. Government will be willing to fund for assuring U.S. access to the Philippines. There are alternatives to the Philippine basing, but they are not as attractive for ensuring peace and stability in the Southeast Asia region.

### V-22 OSPREY

Senator **Gorton**. Recent press reports indicate that the Secretary of Defense is considering the cancellation of the V-22 Osprey, tilt-rotor aircraft. In recent testimony, General Gray, the Marine Corps Commandant, has indicated that the V-22 is the Corp's first aviation priority. Is the Osprey vital to the mission and role of your respective commands?

General **Stackpole**. The Atlantic Command's Area of Responsibility (AOR) is maritime in nature. As such, the ability to carry out force projection as part of any naval campaign is vital to the Atlantic Command's mission. In modern warfare, there is risk involved in conducting an amphibious operation in full view of the enemy. The Osprey with its speed and range provides the vertical lift for an Over-The-Horizon (OTH) assault. There is no other vertical lift machine that can match the Osprey, in terms of delivering troop and cargo for a rapid buildup ashore from an OTH position. The Osprey complements the air-cushioned landing craft (LCAC) which is currently operating with the Marines. Without the Osprey the LCAC cannot be employed to its maximum advantage. The vertical assault would be slowed to the limitations of the conventional helicopter. Additionally, in the maritime space of the Atlantic, from Iceland to the Caribbean, the more than two thousand mile ferry range of the Osprey means it has the capability to self deploy to the conflict if required. In summary, the concept of OTH amphibious operations gives the CINC a number of advantages: surprise, expanded landing areas, and improved safety to the Fleet are but a few. LCAC, CH-53E, MV-22, and the AAAV all contribute to our concept and are required as the assets that move the Landing Force ashore rapidly from over the horizon. Half of these assets are on hand, and the other half is needed. The MV-22 is the most important of that other half, as well as being the core item for all four.

Senator **Gorton**. Recent press reports indicate that the Secretary of Defense is considering the cancellation of the V-22 Osprey, tilt-rotor aircraft. In recent testimony, General Gray, the Marine Corps Commandant, has indicated that the V-22 is the Corp's first aviation priority. Is the Osprey vital to the mission and role of your respective commands?

Admiral **Hardisty**. Amphibious operations conducted by versatile Marine Air-Ground Task Forces provide the only significant capability to conduct forcible-entry at key points along the Pacific Rim. For future forcible-entry operations, proliferation of anti-ship missiles, even in third-world nations, will preclude close-in assaults. For this reason, the development of an over-the-horizon (OTH) capability is important for low-intensity conflict as well as mid to high-intensity conflict.

The MV-22 Osprey would be a key ingredient in Marine Corps OTH capability. Since it would open up a vast amount of the world's littorals to amphibious operations, the MV-22 could ensure Marine Corps forces in the Pacific can be employed effectively in the future. In addition to the OTH amphibious assault capability, the unique characteristics of the MV-22 would allow Marine Corps forces to conduct a wider variety of non-combatant evacuation operations. The self-contained flight ferry capability of the V-22 would reduce dependence on already precarious levels of strategic lift. It appears the MV-22 may be more of an affordability issue than a requirements issue in a constrained defense budget.

We are still waiting for an evaluation of options comparing the MV-22 with existing helicopters to accomplish the Marine mission. Until all factors are known it would be difficult to assess the best way to go.

## QUESTIONS SUBMITTED BY SENATOR TRENT LOTT

### STRATEGIC MOBILITY

Senator LOTT. Admiral Hardisty, in your statement you say that if we have to make force adjustments—I assume you mean some withdrawal of forces from Korea—that Strategic Mobility will become critical to deterrence. Yesterday, General Cassidy said our maritime industry is in a disastrous condition and getting worse. Have you taken this into account in your war plans?

Admiral HARDISTY. Yes. Our operation plans development is based on capabilities. Capabilities planning attempts to meet the threat based on the forces and support (strategic mobility) that have been funded by Congress in the current budget cycle. This level of forces, equipment, and supplies is available now or expected to be available in the current planning cycle.

The reduction of any combat forces in the Pacific theater would increase the requirement for strategic lift assets (both MAC & MSC) to give PACOM the capability to rapidly return those combatants and their support structure. This would require changes to plans reflecting new force structure and support requirements.

### AMPHIBIOUS LIFT

Senator LOTT. General Stackpole, in your statement you list amphibious lift as one of your operational deficiencies and you call attention to the imminent delivery of the first LHD amphibious assault ship—the WASP.

Isn't the amphibious operation your only substantial in-theater method for gaining forcible entry?

General STACKPOLE. Although we are primarily a Maritime command, we do have apportioned to us for planning, but share with other combatant commands, certain Army, Air Force and Special Operation forces. Amphibious forces have, however, historically provided us our most responsive and sustainable forced entry capability. Forward basing of afloat units with their sea based logistics reduces our requirement to obtain often difficult to negotiate basing and overflight rights needed to insert forces.

Senator LOTT. Would you tell us how much adding the LHD to your forces will help in alleviating your amphibious lift shortfall?

General STACKPOLE. Senator, each LHD provides us with the ability to carry 1,866 troops, three LCAC's and 45 CH-46 equivalent storage spots. It also provides us with 20,000 square feet and 109,000 cubic feet of cargo space. While we, as the CINC, would prefer to have a full MEF capability on each coast, we fully realize the fiscal constraints which have led to the Department of Navy (DON) lift goal of the total of MEF plus MEB. We are presently at 80 percent of that goal and expect to achieve approximately 100 percent of that goal by 1997 if our projected construction remains on track. The construction of an LHD every other year, as you can see by its capabilities above, is essential to that effort.

Senator LOTT. In view of the current deficiency in this important capability and our extensive ship building program, do you think that the Navy has adequately emphasized amphibious lift?

General STACKPOLE. We feel the DON lift goal of MEF plus MEB is reasonable under the current fiscal constraints and strongly support the efforts to attain that goal.

### INVASION FROM THE NORTH

Senator LOTT. Do you feel that you would have adequate indications and warning prior to an attempted invasion from the North?

General MENETREY. [Deleted.]

[Whereupon, at 11:14 a.m., the committee adjourned.]

# INTERNATIONAL SECURITY ENVIRONMENT (STRATEGY)

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THURSDAY, APRIL 20, 1989

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
*Washington, DC.*

## UNIFIED COMMANDS ORIENTED TO THIRD WORLD DEFENSE AND UNCONVENTIONAL WARFARE

The committee met, pursuant to notice, at 8:30 a.m., in room SR-222, Russell Senate Office Building, Senator Sam Nunn (chairman) presiding.

Committee members present: Senators Nunn, Exon, Kennedy, Dixon, Thurmond, Cohen, McCain, and Gorton.

Committee staff members present: Arnold L. Punaro, staff director; Richard D. DeBobes, counsel; Daniel G. Sakura, research assistant.

Professional staff members present: Richard D. Finn, Jr., James R. Locher III, Michael J. McCord, and Norman G. Mosher.

Minority staff members present: Romie L. Brownlee, deputy staff director for the minority; Judith A. Freedman, George K. Johnson, Jr., George W. Lauffer, and Durwood W. Ringo, Jr., professional staff members.

Staff assistants present: Kelli J. Pronovost and Debra A. Rice.

Committee members' assistants present: Jeffrey B. Subko, assistant to Senator Exon; William J. Lynn, assistant to Senator Kennedy; Milton D. Beach, assistant to Senator Glenn; Terrence M. Lynch, assistant to Senator Shelby; C. Richard D'Amato, assistant to Senator Byrd; Christopher K. Mellon, assistant to Senator Cohen; Robert M. Soofer, assistant to Senator Gorton; Charles Pearcy, assistant to Senator Lott; and Eric H. Thoemmes, assistant to Senator Coats.

### OPENING STATEMENT OF SENATOR SAM NUNN, CHAIRMAN

Chairman NUNN. The committee will come to order. The committee meets this morning for the last of three hearings on the military strategy and operational requirements of a unified and specific combatant commands.

Appearing before the committee today are the Commander in Chief or Chief of Staff of three unified commands that have major responsibilities for Third World defense and for unconventional warfare. The focus of this hearing reflects the committee's concerns that these missions are not receiving adequate attention and that

Third World and unconventional threats to U.S. interests are likely to become more serious in the future.

Given its work on the Goldwater-Nichols Act the committee has a strong interest in all of the unified and specified commands, but the committee has a special interest in two of the commands represented here today, because in 1986 this committee, with Senator Cohen taking the lead, played the pivotal role in the creation of the U.S. Special Operations Command. Since then, the committee has devoted considerable attention to the command's progress in carrying out assigned missions.

The committee also played a role in the decision by Secretary Weinberger to recommend creation of the U.S. Central Command. Senator Cohen, then serving as chairman of the Seapower and Force Projection Subcommittee, was also the driving force behind the committee's contribution.

Although the committee cannot take any credit for the establishment of the U.S. Southern Command, we do have an intense interest in that command, given its involvement in low intensity conflicts that dominate in its geographic area of responsibility.

On behalf of the committee I extend a warm welcome to our panel of distinguished military leaders today, Gen. James J. Lindsey, U.S. Army Commander in Chief, U.S. Special Operations Command. General Lindsay, welcome this morning; Gen. Norman Schwarzkopf, U.S. Army Commander in Chief, U.S. Central Command. General, we are glad to have you; and Rear Adm. Richard C. Ustick, U.S. Navy, Chief of Staff, U.S. Southern Command. Admiral, we are also glad to have you.

We are delighted to have each of you here today. We look forward to your testimony. I would note here this morning that Admiral Ustick is representing General Woerner, Commander in Chief of the U.S. Southern Command, who had a previous high priority commitment in Latin America. I should further note that we may have gone too far on the Goldwater-Nichols bill, for we have a Navy admiral representing a land-based command here this morning and yesterday we had a marine infantry officer representing a maritime command, so we may have to reexamine our basic premise. We did not expect anybody to move that fast and furious.

On a serious note, we do think that we have had some very gratifying results from the Goldwater-Nichols bill so far and we are going to ask each of you questions about that as we go along, to get your views. The witnesses have been asked to testify on their military objectives in their geographic region or functional area, the capability of the military forces available to achieve those military objectives and most importantly the strategy that links those objectives and capabilities.

In addition, the committee has requested testimony on each of the commands' critical operational deficiencies, the priorities for correcting those deficiencies and the extent to which the Defense budget requests correct these deficiencies.

Last, the witnesses have also been asked to testify, as I referred to a moment ago, on their views of the Goldwater-Nichols Act and the progress made along that line within their commands. In General Lindsay's case, the committee will also be anxious to hear about implementation of the Special Operations reorganization and reforms mandated by the Congress in 1986.

When we hear from the witnesses I will ask General Schwarzkopf to make the initial statement, followed by Admiral Ustick and General Lindsay. General Lindsay, you have submitted a classified written statement. This statement will be made available to the committee for our review. In your opening remarks I would ask each of you to present an unclassified version of your statement. Your entire remarks will be in the record and the classified portion so treated.

I would like to make a brief statement on the tragedy that happened yesterday, that I know is on the minds and hearts of all of us here today and the people of the country. On behalf of the members of this Senate Armed Services Committee I would like to express our deep sorrow of the tragic loss of life of those on the U.S.S. *Iowa*.

Our thoughts and prayers are with all the families touched by this very sad accident. It reminds us every day that even in peacetime our soldiers, sailors, airmen and marines are serving their country in harm's way. So our thoughts and prayers are with those affected and their families, the men and women in our services today serving us so well all over the world.

Senator Warner is on his way. Senator Cohen.

Senator COHEN. No opening statement, Mr. Chairman.

Chairman NUNN. Senator McCain.

Senator McCAIN. Yes, Mr. Chairman, thank you. I certainly share your sympathy for the survivors and families of the great tragedy on board the U.S.S. *Iowa* yesterday.

Mr. Chairman, yesterday I am sorry that I was not here to hear the statements that were made concerning the proposed Pentagon position on the rail garrison MX versus Midgetman. I hung around for about one-half hour before the hearing started and was unable to be here when it finally did.

From reading in the media that at the onset of the hearing the statements were made concerning the "impact of bipartisanship" and bipartisanship of what is believed to be Secretary Cheney's view as to which direction we need to go, I was both concerned and somewhat amused. The way I interpret the statements are unless you do what the Senate and House Armed Services Committee want to do then we will take our marbles and go home.

There are many of us who agree with what appears to be Secretary Cheney's proposal to pursue one track, primarily because of the fact that we do not think we can afford two. We do not believe in this day and age that there will be a launch without any warning, which is basically what the Midgetman provides us with a capability of responding to and if that is the way that bipartisanship is going to be conducted around here—in other words, if you do not do what we say, then we will not have any bipartisanship—Mr. Chairman, so be it.

I believe President Bush was elected by the American people to make these decisions, along with the people that he supports. I believe his decisions and that of his Secretary of Defense deserve a fair hearing. The Secretary of Defense has, I believe, the privilege of coming over here and making a case for his decision before they are rejected out of hand and frankly, it does not signal to me a very good beginning as we open what should have been discussions and now may be acrimonious debate on what paths we should pursue in the acquisition of strategic weapons in order to defend this Nation.

Thank you, Mr. Chairman.

Chairman NUNN. Thank you, Senator McCain. I hope you will take a look at that transcript, because whoever briefed you on it gave incorrect remarks. I said it was going to be a hard sell over here and I said that I would await any judgment until we had hearings and we had the Secretary of Defense be able to fully present his case, and there were some comments that came from a White House briefing and I was not there, so I think that perhaps a reading of the transcript would be in order.

Senator McCAIN. Thank you, Mr. Chairman. If I could respond very quickly. Chairman Les Aspin said it would be a blow to chances for bipartisanship in national security and more importantly to the chances for a potential new U.S.-Soviet treaty reducing strategic arms.

Chairman NUNN. That was at the White House. I thought you were referring to the hearing we had yesterday.

Senator McCAIN. I was referring to both, sir, including the statement made by the chairman of the House Armed Services Committee.

Chairman NUNN. Well, that was not in the hearing. We had a hearing and that came up very late, at the end of the hearing, in answer to strategic questions and I made it very plain to the witness and I am sure that this is no secret at the Pentagon that we do have bipartisanship on the MX and the Midgetman.

We have bipartisanship in the fact that there are people on both sides of the aisle that support both systems and there are people on both sides of the aisle that oppose both systems. So we have bipartisian disagreement in the Congress. There is no consensus and that is what we are all searching for.

Senator Cohen.

Senator COHEN. Mr. Chairman, I was just going to indicate that that statement was made at the White House. I was at that meeting. In fact, that is one of the reasons I was not able to be here yesterday afternoon.

The statement was made in conjunction with President Bush bringing together a group of people seeking, if at all possible, to develop a bipartisan consensus to foreign policy and as part of foreign policy, an integral part of Defense policy, Les Aspin at that point indicated that he felt that if that was going to be achieved that it would require both systems at least to be considered and not one rejected out of hand, namely the Midgetman. But it was in that context. I am not aware of this committee coming down on that position.

Chairman NUNN. That was in the White House. I could not be there at that time. In fact I was told, interestingly enough, that the Senate was not going to be at the meeting. There was going to be another one, so we had some bipartisan confusion about the meeting itself.

Senator Thurmond, do you have any opening statement this morning?

Senator **Thurmond**. Mr. Chairman, I want to join you and the other members of this committee in welcoming our distinguished group of commanders. I believe they represent an area of defense that deserves the greatest focus of our defense planners in the coming years.

Gentlemen, I found your prepared statements very comprehensive and thought-provoking. I believe they identify the challenges and provide what I consider rational solutions to the problems you and our Nation will be facing in the coming years.

Our committee will be making some difficult decisions over the next several weeks and I will certainly carefully consider what you have to say. It is a pleasure to have you here this morning.

Chairman **Nunn**. Senator Dixon has submitted a statement for the hearing record.

[The prepared statement of Senator Dixon follows:]

### Prepared Statement of Senator Alan J. Dixon

Again today, the committee has the opportunity to hear the testimony of our commanders in the field. Thus far in this year's committee budgetary process, we have heard outstanding testimony from the Chairman of the Joint Chiefs of Staff and the commanders in both the European and Far Eastern Theaters of operation. Their comments have been enlightening and have contributed greatly to our understanding of our military strategy and operational needs.

During this past year these commands have faced difficult challenges in the Persian Gulf and Central America. Our Naval Forces confronted an irrational and unconventional Iranian militry force, yet were successful in sustaining the flow of oil to our allies and to ourselves. Although an unwanted task, the Persian Gulf operation did provide an opportunity to test our capabilities in this area and I am anxious to know what lessons we have learned from this experience. As chairman of the Readiness, Sustainability, and Support Subcommittee, I am also anxious to know to what extent threats to our forces in the Persian Gulf have diminished and what we have done to subsequently reduce our cost of operations.

Drug-related issues, the Nicaraguan insurgency, and the instability of several democracies have been the major problems facing our military commanders in Central America. Following the U.S. indictment of General Manuel Noriega and the ensuring crisis in Panama, American forces successfully deterred potential retaliatory actions by Noriega supporters against Panama Canal operations and U.S. facilities. The crisis has subsided, but are we prepared for others in this volatile region? Do we have sound contingency plans for Panama or to help other fledgling democracies should a crisis occur? Do we have the forces and adequate funding to carry-out these plans?

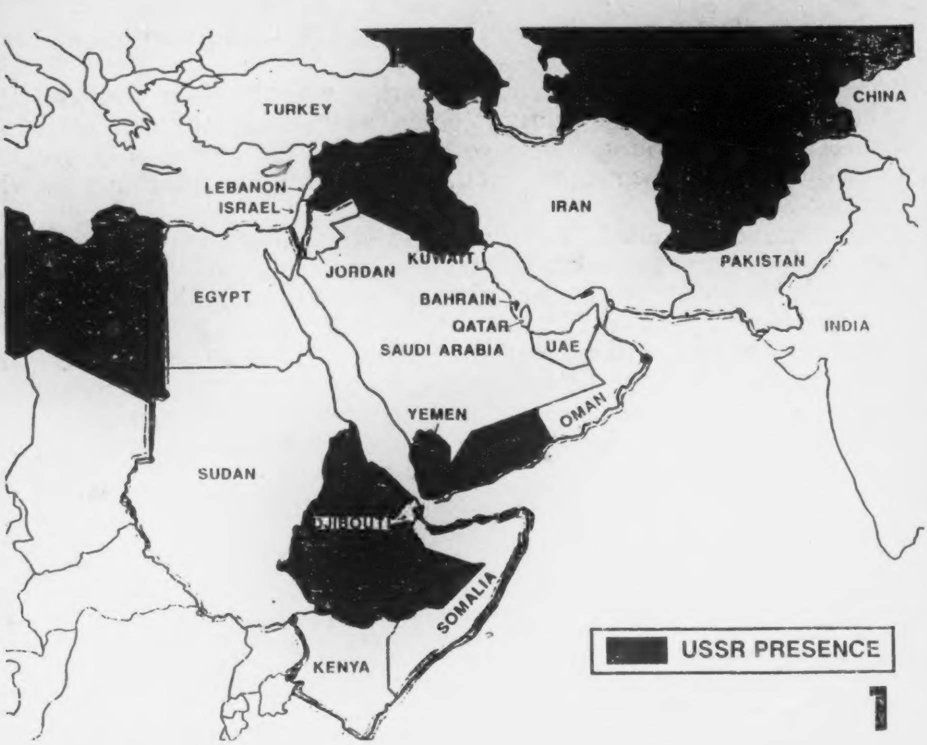
Mr. Chairman, we have an expert panel to testify about the strategies and requirements of their respective commands. I look forward to hearing their testimony.

Chairman **Nunn**. General, we are ready for your testimony.

## STATEMENT OF GEN. H. NORMAN SCHWARZKOPF, U.S. ARMY, COMMANDER IN CHIEF, U.S. CENTRAL COMMAND

General **Schwarzkopf**. Thank you, Mr. Chairman and members of the committee. I am honored to appear before you for the first time as the Commander in Chief, U.S. Central Command.

I have provided you with some charts for your use during this opening statement. Central Command's area of responsibility, shown on chart 1, is vital to our national security. Very simply stated, the area holds 70 percent of the nonCommunist world's oil reserves and accounts for 20 percent of the U.S. oil imports and this figure is expected to grow.



1

This area also contains essential lines of communication that, in addition to carrying oil and other commerce, strategically link the Atlantic, European and Pacific theaters. The Soviet Union is interested in the area because of its oil and its strategic position.

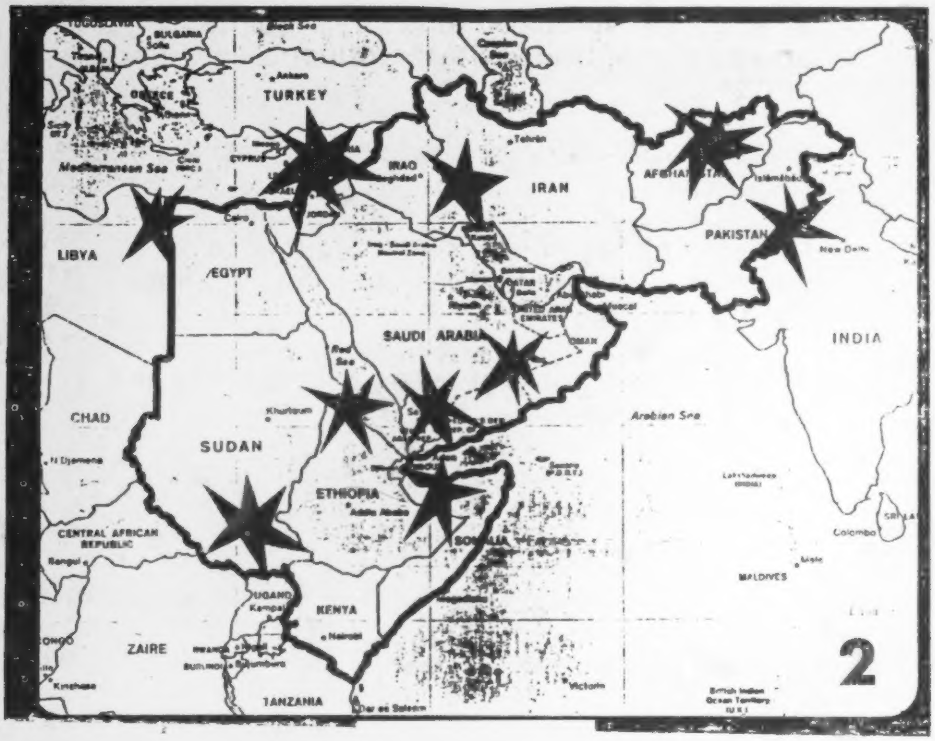
In spite of Secretary Gorbachev's security policies and proposals, the Soviet interest and presence in the region is not diminishing and is in fact increasing in some areas. Soviet naval presence in the Persian Gulf, the Red Sea and the adjacent waters now exceeds that of the United States.

In addition, there is well-established Soviet military presence in Ethiopia, North and South Yemen and Iraq and although the Soviets have withdrawn their combat forces from Afghanistan they still supply the Kabul regime with massive military hardware and many Soviet advisors still remain in the country. Moreover, the Soviets stand as willing arms merchants to virtually anyone in the region and with these arms deals comes a heavy dose of Soviet advisors and military presence.

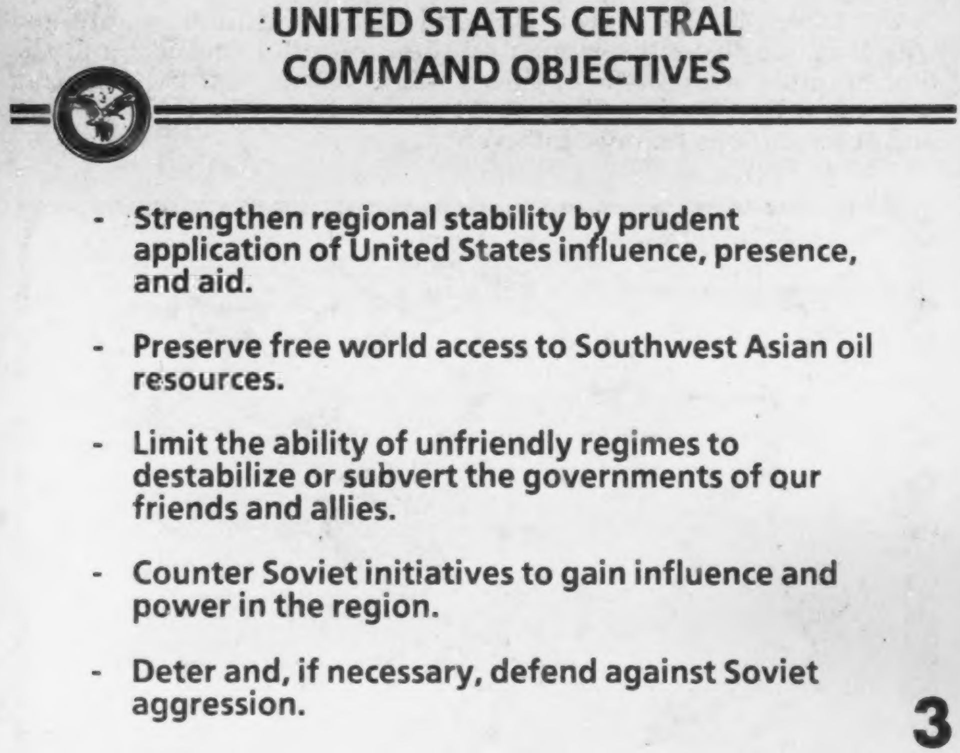
In the past 5 years, countries in the Central Command area of responsibility received approximately $29 billion in Soviet security assistance, $7 billion in 1988 alone. This build-up of Soviet military presence and political influence in the region I believe poses a real threat to U.S. long-term strategic interests.

The Central Command area of responsibility is the most volatile region in the world. Historically, regional and religious conflicts have been a part of every-day life. Chart 2 depicts the current areas of unrest and low-intensity conflict. Even if there were no

Soviet threat in this region, U.S. and Free world interests are and will continue to be threatened by these regional conflicts and the best example of this type of threat is the impact that the Iran-Iraq war would have had on Free world oil supplies if the United States and other nations had not intervened.


YUGOSLAVIA
BULGARIA
Sofia
Black Sea
Caspian Sea
Ankara
TURKEY
GREECE
Mediterranean Sea
CYPRUS
Tehran
IRAQ
Baghdad
IRAN
AFGHANISTAN
Islamabad
PAKISTAN
New Delhi
Cairo
LIBYA
EGYPT
Iraq - Saudi Arabia Neutral Zone
QATAR
UNITED ARAB EMIRATES
Muscat
OMAN
SAUDI ARABIA
Red Sea
INDIA
Khartoum
Arabian Sea
CHAD
SUDAN
N'Djamena
ETHIOPIA
Addis Ababa
CENTRAL AFRICAN REPUBLIC
Bangui
SOMALIA
Colombo
Male
MALDIVES
UGANDA
Kampala
KENYA
Nairobi
CONGO
ZAIRE
RWANDA
BURUNDI
Bujumbura
Kinshasa
TANZANIA
Dar es Salaam
Victoria
British Indian Ocean Territory (U.K.)
2

To counter these threats and protect our interests in the area, CENTCOM has developed the command objectives shown on chart 3. In order to accomplish these objectives, CENTCOM is guided by two strategies, one for peacetime and another for wartime. The wartime strategy depends upon the successful execution of our peacetime strategy, but I feel it is important to emphasize at this point that CENTCOM simply cannot achieve these objectives without the friendship and support of the moderate nations in our area of responsibility.

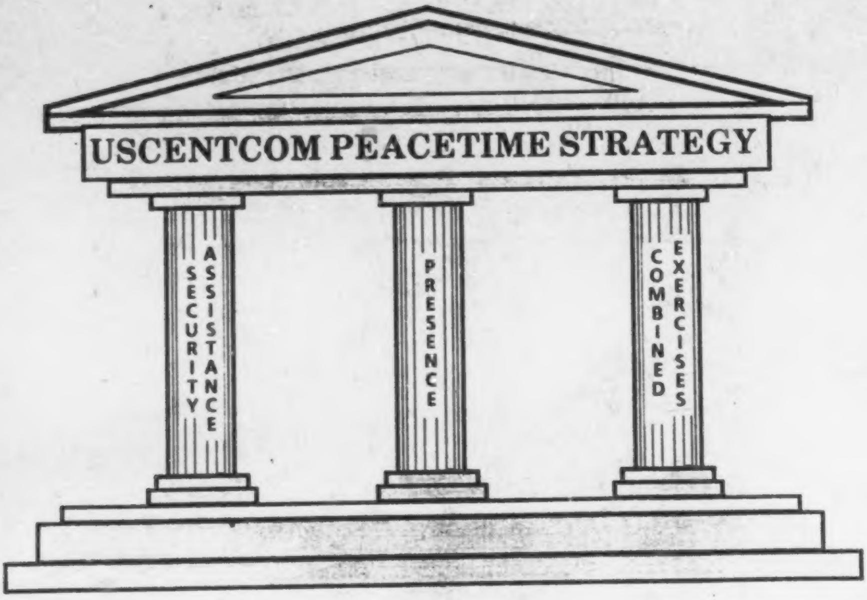


## UNITED STATES CENTRAL COMMAND OBJECTIVES

- Strengthen regional stability by prudent application of United States influence, presence, and aid.
- Preserve free world access to Southwest Asian oil resources.
- Limit the ability of unfriendly regimes to destabilize or subvert the governments of our friends and allies.
- Counter Soviet initiatives to gain influence and power in the region.
- Deter and, if necessary, defend against Soviet aggression.

3

Chart 4 pictorially shows that CENTCOM's peacetime strategy is built upon three pillars: security assistance, U.S. presence and combined exercises. Security assistance is a small investment which pays big dividends and I cannot emphasize this point strongly enough. Security assistance leads to presence. Presence leads to access, and access to the facilities in the region is absolutely vital to the command's execution of its wartime responsibilities.

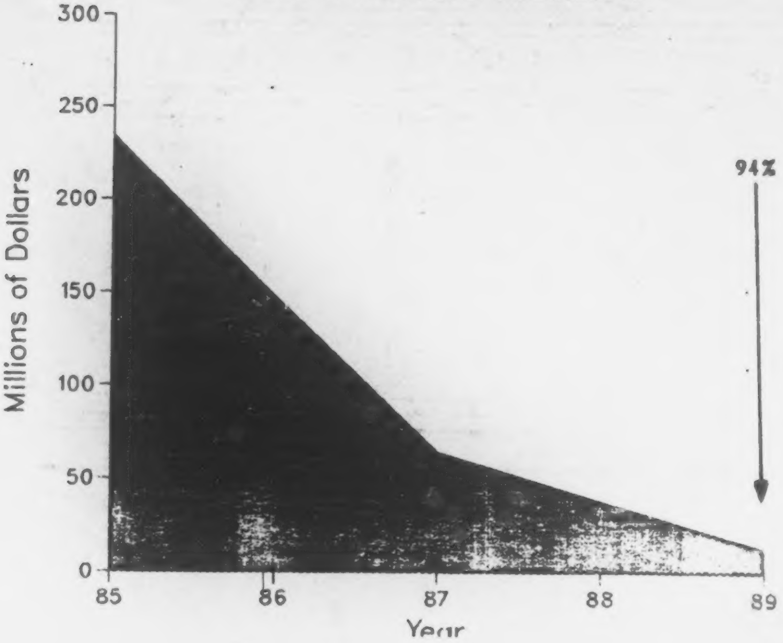

USCENTCOM PEACETIME STRATEGY
SECURITY ASSISTANCE
PRESENCE
COMBINED EXERCISES

98-965 1224

4

Moreover, security assistance is the key to the success of our warfare strategy, where in the event of a Soviet attack our regional friends would assume responsibility for their own defense, freeing U.S. forces to counter the Soviets.

Unfortunately, the benefits from security assistance are now in grave jeopardy. Since 1985, as shown on chart 5, nonearmarked funding for security assistance in my area of responsibility has declined 94 percent. As a matter of fact, this year my total nonearmarked security assistance is less than 1 percent of the total security assistance dollars I have available to me in the area.



**Total MAP and FMS Credits**
**USCENTCOM AOR**
**(non-earmarked countries)**

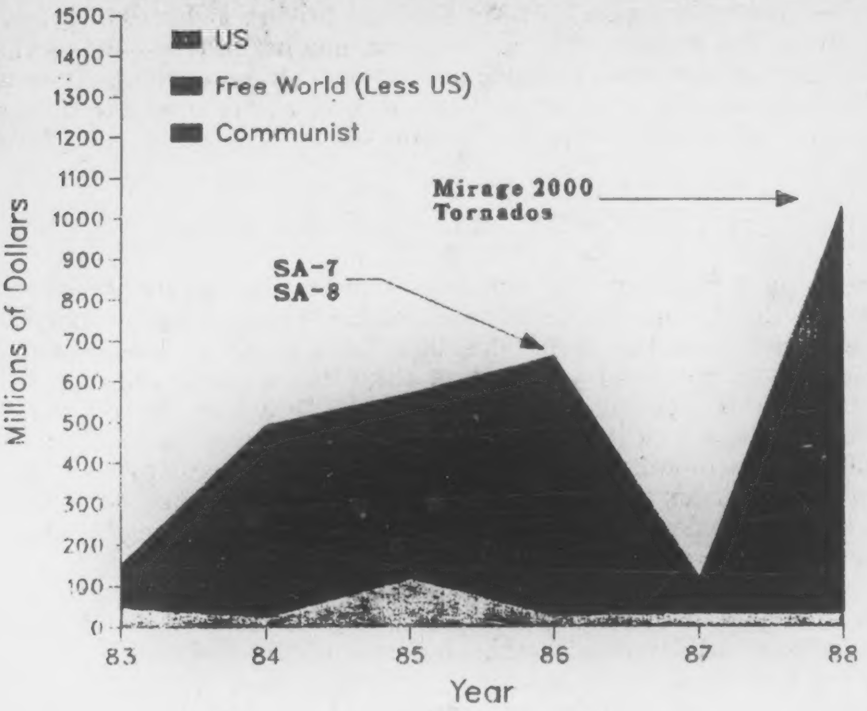
**5**

Chairman NUNN. What is the total amount of money you are talking about there? We have got the percentages, but from what dollars to what dollars are we talking about?

General SCHWARZKOPF. Senator, this year as an example, I have approximately $1.5 billion in security assistance. Of that, only $13 million is nonearmarked. All of the remainder is earmarked. All of that money goes to three countries, principally, and five non-earmarked countries in the area that I deal with have to share the $13 million.

Chart 6 shows the most dramatic example of this decline and other countries' reactions to it. In the case of Jordan, our steadfast friend and consistent voice for moderation and compromise in the area, U.S. security assistance for Jordan has dropped by 89 percent since 1985 and for fiscal year 1989 Jordan was provided only $10 million, down 62 percent from the $26 million provided in fiscal year 1988 and this to a nation that has the best record of debt servicing in my entire area of responsibility.

# Jordan Arms Agreements



6

I can give you other examples, such as the Yemen Arab Republic, which has suffered a 50-percent decline from $1 million in fiscal year 1988 to one-half million dollars in fiscal year 1989. Our security assistance chief says that the bare minimum U.S. programs there simply cannot be maintained with this level of assistance. Yet North Yemen is in a critically important strategic location from the viewpoint of the United States.

By denying these nations the arms they require for their defense, some people mistakenly believe that we are slowing or halting arms build-up in this part of the world. Nothing could be further from the truth. As the Jordanian chart illustrates, other countries, allies and adversaries alike, stand ready to fill the void we are creating, yet our friends in the area tell me time and time again that they prefer to do business with the United States.

The Central Command Security Assistance Chief in one country recently told me that one of his European counterparts expressed it this way: "Because of its security assistance practices the United States is Britain's best marketeer". Another told him that if the United States continues to do business the way we have in the past, he will be provided all the free French wine he can drink.

I must quickly add that the Soviets never fail to try and step in anywhere our security assistance practices create a vacuum. Interestingly enough, the Soviet's recently announced intention to reduce their force levels in Eastern Europe, while certainly welcome news to all of us in the military, may have unwelcome repercussions in the Central Command area of responsibility. Arms and materials withdrawn from Europe by the Soviets will in all probability be available for sale to Middle East buyers at bargain prices.

In short, the erosion of U.S. programs has actually escalated the probability of increased arms acquisitions. This is particularly true in the cash sales area of security assistance, where over $43 billion in known sales have been lost by the United States in the last 4 years.

Chairman NUNN. How much?

General SCHWARZKOPF. $43 billion in the last 4 years, Mr. Chairman.

The second pillar of the command's peacetime strategy is presence. The Joint Task Force Middle East is the most visible portion of our presence in the area. This task force sends a clear message to friends and potential adversaries alike that we are committed to and capable of meeting our obligations in that part of the world.

That message was loud and clear when last year we committed 16,000 service members and 24 major combatants to protect gulf shipping. Also, our military training and security assistance teams working the moderate CENTCOM nations are developing relationships that ensure we will have vital access in times of crisis.

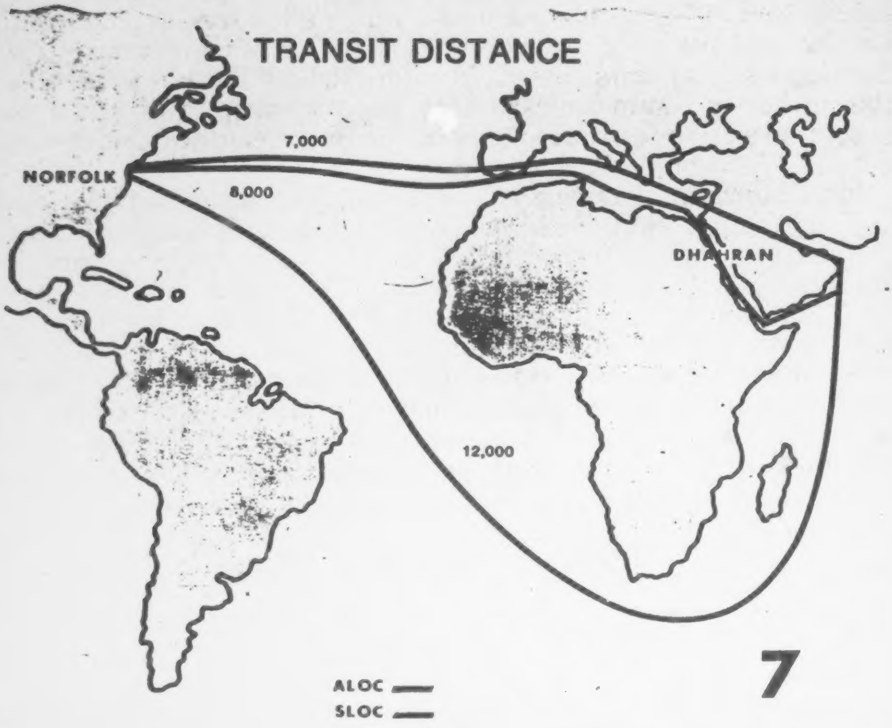
The third pillar of our peactime strategy is a well-developed program of frequent combined exercises which bolster mutual confidence in our collective ability to execute coalition defense.

Our operational successes have provided new opportunities to gain access to our exercise program and I ask for your continued support for the funding that will make these new initiatives possible.

Hopefully our peacetime strategy will preclude the need for the command to exercise its wartime strategy. This wartime strategy is of necessity based on economy of force and capitalizes on the synergistic effects of the United States and friendly forces to selectively deter and counter hostile Soviet military actions.

The command must be prepared to fight and we are, as our combat units have no significant readiness problems which preclude them from accomplishing their assigned missions and I feel our combat support units are making progress in overcoming their deficiencies. However, our units will only be able to fight if they can get there and if they have access to vital facilities when they get there.

The budget submitted by former President Reagan supports our war fighting needs. Let me very briefly point out some of the most significant requirements for Central Command. The first is air and sealift capability. As you can see from chart 7, Central Command's area of responsibility is 7,000 miles by air from the United States and up to 12,000 miles by sea.



Moreover, the command has no ground nor air combat forces permanently assigned to the area. Thus, in a crisis our ability to move forces quickly to the region depends upon adequate lift capability. I encourage the committee to support the C–17 program, modernization of the amphibious lift fleet, expansion of the Ready Reserve Force and containership modification program and fast lift capability programs similar to the SL–7s.

A second critical resource is prepositioning materiel in friendly countries in the region. To support fast deployments the command depends on prepositioned war-related materiel including fuel, ammunition, medical supplies, food, vehicles, communication equipment and bare base kits.

Past congressional support has been key to improving the command's posture in prepositioning. An effective plan for prepositioning cannot be accomplished without adequate infrastructure at the site. That is why a third resource area, military construction, is so necessary. Military construction provides aircraft runways, taxiways, parkways, aprons, warehouses, fuel facilities and security systems that make prepositioning possible and continued support in 1990–1991 for military construction programs I feel is essential.

Other programs of high priority will not come as any surprise. They are readiness, sustainability, command and control communications and intelligence. All these play a key role in our ability to successfully execute our wartime missions.

Finally, with regard to the Goldwater Nichols Reorganization Act, as USCINCCENT I now have command authority over most subordinate commanders and activities located in my area of responsibility. I enjoy an increased role in the resource allocation process and the services usually respond satisfactorily to my warfighting requirements. The Goldwater-Nichols Act has accorded me the authority commensurate with my responsibilities and I have encountered no recent problems in the implementation of the legislation.

Mr. Chairman, members of the committee, in the last year and a half the United States has achieved significant success in Central Command's area of responsibility and this has restored American credibility in the eyes of our friends in the region. Both our peacetime and our wartime strategies depend on preserving this hard-won credibility by showing our friends that our commitment to their security is honest and enduring. I am convinced that we can ensure the preservation of our strategic interests in the area. To do otherwise risks losing what we have gained at high cost of American blood and treasure. With your support I can assure you that Central Command will be able to accomplish its mission.

Thank you, sir.

[The statement of General Schwarzkopf follows:]

## STATEMENT OF

## GENERAL H. NORMAN SCHWARZKOPF

## COMMANDER IN CHIEF, UNITED STATES CENTRAL COMMAND

## TO THE SENATE ARMED SERVICES COMMITTEE

Mr Chairman, members of the committee. I appreciate the opportunity to appear before you today to testify for the first time as Commander in Chief, United States Central Command.

## EXECUTIVE SUMMARY

In the short time I have commanded the United States Central Command, these facts have become clear to me:

-- The region for which I am responsible is vital to our nation's security.

-- The Soviet threat to the region is increasing, and the Soviets are making gains at our expense.

-- U.S. political and military actions in the region over the last year and a half have restored our regional friends' confidence in our commitment to their security.

-- This revival of our friends' confidence in us offers an opportunity to neutralize and eventually reverse Soviet gains in the region.

-- Our challenge is to capitalize on this opportunity by showing our friends in the region that our commitment is durable and serious.

-- The time to do this is now.

The United States Central Command's Area of Responsibility (AOR) resounds with the echoes of the earliest endeavors of mankind. Recorded history began in this region, with the civilizations of Mesopotamia and the Nile and Indus valleys. Across the centuries, the area has been a crossroads for trade, a target of conquest, and a locus of conflict. Judaism, Christianity, and Islam have their roots here.

Today, the region is vital to United States security. The economies of the United States and its allies depend on Persian Gulf oil. By the year 2000, United States domestic oil production is projected to decline by as much as 20 per cent, increasing our dependence on the region's petroleum resources.

The area also sits astride the major maritime trade routes which link the Middle East, Europe, South and East Asia, and the Western Hemisphere. Ships plying these routes, and transiting the maritime choke points of the Strait of Hormuz, the Suez Canal, and the Bab el Mandeb at the southern end of the Red Sea, carry the petroleum products that propel the economies of our European and Asian allies, and the myriad other commodities that fuel world trade.

For the past decade and more, the United States has had to respond to disruptive events in this region, events which were often beyond our control, but which nonetheless proved critical to our vital interests. We remember the fall of the Shah, the Tehran hostage ordeal, the Soviet invasion of Afghanistan, the assassination of Anwar Sadat, the turmoil of the war on gulf shipping, the accidental attack on the USS Stark. These events took place in a context of regional instability, marked by religious dissension, territorial disputes, insurrections, and adventurism by Libya and other radical states. This environment of turmoil has provided fertile ground for the expansion of Soviet influence.

The Soviets, like the Russian czars before them, have a keen interest in this area. They are attracted by the region's oil and by the warm water ports of the Persian Gulf and the Indian Ocean. The Soviet threat to the region exists on two levels. Although a direct Soviet attack into the area is unlikely, the Soviets continue to maintain and modernize combat-ready forces in the southern USSR opposite Iran. Much more worrisome is the Soviet penchant for exploiting regional conflict, as they have already done in Afghanistan and Ethiopia, and for exploiting our friends' doubts about the United States commitment to them. The Soviets are steadily increasing their presence and gaining influence in the region by providing any willing recipient state with not only political support, but also arms, equipment, military training and technical advice. In far too many instances, the United States has proved a reluctant suitor in responding to needs and requests of our friends in the region; and in far too many instances, the Soviets were on the spot, ready to step forward in our place.

It is to this latter threat that we must respond if we are to maintain our position in the region.

We have made a good start on that effort. Operation EARNEST WILL -- our naval escort of United States-flagged merchant ships in the Gulf -- showed that United States military presence can promote stability. But more importantly, our actions in the Gulf, including our measured responses to Iranian provocations, showed our friends in the region that the United States sticks to its commitments, and is ready and able to wield military might to underscore those commitments. Our steadfastness destroyed the contention of skeptics in the region and elsewhere that we would cut and run at the first sign of danger.

We must press this advantage if we are not to squander the benefit earned by EARNEST WILL. We must maintain a naval presence in the region, at a level consistent with the threat. We must maintain communication with military and political leaders in the region. We must take their security concerns seriously, and consider them on their own merits, in an even-handed manner and without prejudice. In this light, when our friends make legitimate requests to buy arms, we must be ready to respond positively. It is important to realize that well-crafted arms sales, besides enhancing our friends' security, also work to our benefit both militarily and economically, since the purchasing state becomes more willing to grant necessary access to facilities, and to fund, in conjunction with its purchases, military construction and joint training exercises using U.S.-compatible equipment that is already positioned in-country. By the same token, we must respond positively to requests from our financially-burdened friends for security assistance, including joint exercises and humanitarian and civic assistance. If we fail to respond, there are, as I have noted, others who will step into our place. At present, our stock is high. Now is the time to capitalize on our success.

We can do this only if we have adequate resources. Although we do not seek, nor indeed do we foresee, a major military confrontation in the region, we must nonetheless be prepared to fight if necessary. This means keeping forces apportioned to United States Central Command in a high state of readiness, and providing them, through the Services, with sufficient capacity for air and sealift to the region in a crisis. Once the forces are in the field, we must be able to sustain them through reliable resupply. This in turn depends on current construction of military storage facilities and pre-positioning of equipment and supplies in the region. Finally, the success of any crisis deployment hinges on the existence of a reliable command and control system, and of a flexible, reliable system for gathering, analyzing and disseminating strategic and tactical intelligence.

Our peacetime resource requirements are just as critical to our goal of reinforcing our regional friends' confidence in us. To avoid sending the wrong signal, we must maintain a prudent naval presence in the region. We must continue our program of joint military exercises in the region. And we must be willing to fund security assistance for our friends, not only to maintain their confidence in us, but also to maintain access to facilities that could prove crucial in times of crisis.

Over the course of the last year and a half of Persian Gulf operations, Central Command has matured into a truly unified joint-service command, ready to respond in a crisis, and capable of providing to the National Command Authority a wide array of military options for the achievement of political goals. The key to joint-service success is service interoperability, and this quality cannot better be demonstrated than by the superb performance of the Joint Task Force Middle East. The JTFME Commander orchestrated escorting, accompanying, and monitoring operations to protect over 345 tankers to date in Operation EARNEST WILL. Navy surface combatants, Air Force AWACS and other aircraft, carrier air forces, and Mobile Sea Bases carrying helicopters and personnel from the Navy, the Army, and the Marines have all been involved.

The effectiveness of joint-service operations was clearly shown during Operation PRAYING MANTIS on 18 April 1988, when in a measured response to Iranian provocations, Central Command forces destroyed two Iranian oil platforms and sank or disabled four Iranian surface combatants. The operation was the largest United

States' naval engagement since World War II, and was conducted with great professionalism.

The superb performance of Central Command forces is a direct result of Congressional support. Central Command is aware of current fiscal realities. At the same time, I believe that the resources we are requesting are both adequate and necessary for the Command to accomplish its mission.

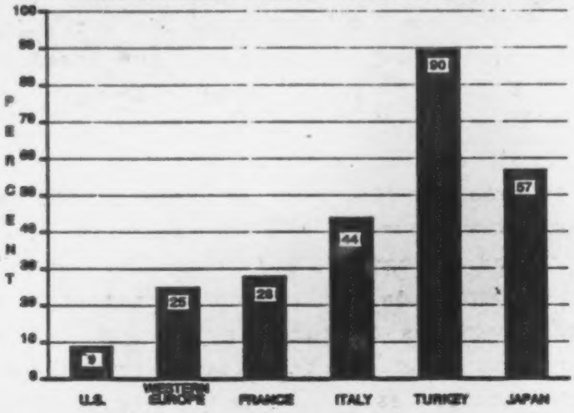
The experiences of 1988 have verified our capability and resolve. I assure you that the United States Central Command is ready to deal with any threat to U.S. interests in the region. We need your continued support if we are to be able to do so.

## STRATEGIC IMPORTANCE OF THE AREA OF RESPONSIBILITY

The Central Command's Area of Responsibility includes 19 countries of diverse political, economic, cultural and geographic make-up. Europe, Asia and Africa join here to form a unique and complex region in which history is key to understanding its nature and importance. As a continental crossroads, the area has been traversed and fought over by armies of the world for centuries. Three of the world's major religions have their roots here; Christianity, Judaism and Islam. Through the centuries, Islam has emerged as the main unifying cultural, if not political, force in the region. Seeds sown in centuries past have given rise to the regional and internal conflicts of the present: the Iran-Iraq war, the enmity between the Yemens, the Ethiopian-Somali disputes, the civil insurrections in Ethiopia and Sudan, and the border disputes of the Arabian peninsula. With this continental and cultural diversity, the region's history is also filled with tribal, regional, and national conflicts. Today, this blend of cultures and ideologies continues to make the region volatile and unpredictable. For example, two years ago few would have predicted a United States and PLO dialogue or the election of a woman to head an Islamic government.

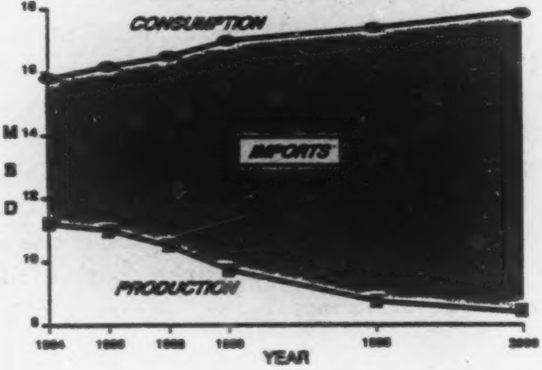
In the center of this region are over 70% of the free world's oil reserves - oil which fuels the West's industries and economies. During 1988 alone, over 12 million barrels of Gulf oil were exported daily; either directly from the Persian Gulf or through the expanding trans-Arabian pipeline to Yanbu on the Red Sea. Many of America's European and Asian allies rely on Gulf oil to satisfy a significant portion of their national requirements. Total United States imports from all world sources now account for roughly 40% of total consumption, up 5% from last year, and one of every five barrels of this imported oil comes from the Gulf region. According to a recent Department of Energy study, imported oil will account for 50% of U.S. consumption by 1994. Due to this increased dependence on imported oil, United States consumption of Gulf oil appears destined to grow. Estimates indicate that our domestic production capability could decline as much as 20% by the end of the century, causing an even greater reliance on this region's oil reserves.

PERCENT OF NATIONAL REQUIREMENTS
IMPORTED FROM THE GULF



Other estimates indicate U.S. domestic supplies of oil could be depleted within the next 20 to 40 years while the Persian Gulf region will still have at least 100 years of known oil reserves, with many promising oil producing areas remaining unexplored.

U.S. OIL CONSUMPTION VS IMPORTS
IMPACT OF IMPORTS

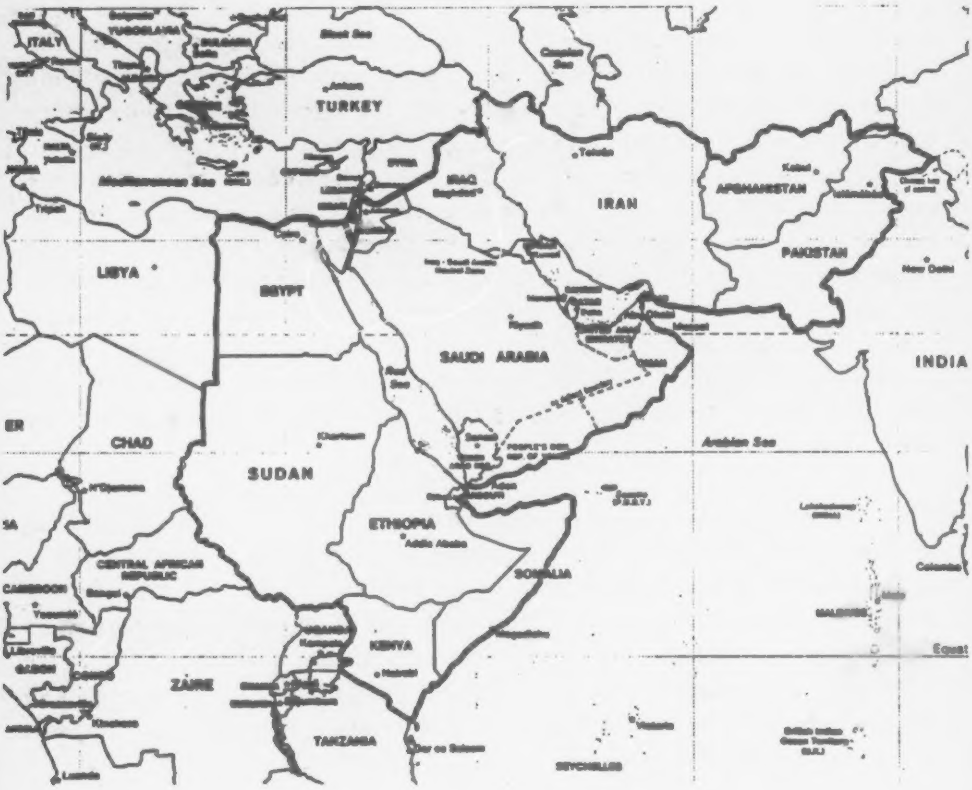


Beyond the oil itself, the region contains the strategic waterways which facilitate the flow of world commerce vital to the survival of many nations. The Strait of Hormuz provides the only maritime access to Gulf oil fields and associated transshipment facilities. The Red Sea, with the Suez Canal at the north and the Bab el Mandeb in the south, is one of the most vital strategic sea lines of communication in the world. It forms the vital water link between our European and Pacific friends and allies. The Suez Canal alone handles over 21,000 vessels annually, 33% more than the Panama Canal. For its part, the Bab el Mandeb is no less vital as a strategic choke point than the Suez Canal: If canal traffic were for any reason obstructed, all oil shipments from the Saudi Red Sea terminal at Yanbu, capable of handling a total of 90% of Saudi and 40% of Iraqi exports by the mid-1990's, could reach their worldwide destinations only after moving through the Bab. In time of peace, the waterways are important. In time of conflict, they are crit[illegible]vide the strategic lifeline essential to the timely deployment and sustainment of free world forces. The only alternative to the Suez and Bab el Mandeb line of communication is to transit the southern tip of the African continent, increasing deployment and logistic flow time by almost 30%. Protection of these choke points depends upon United States friendship and cooperation with the countries in the region and access to nearby ports and airfields.

While the importance of the region is vital to the interests of its inhabitants, the United States and other free world nations, it is also of strategic importance to the Soviet Union. The Soviets have long coveted the warm water ports and vast petroleum resources in the area. Additionally, in the near future the Soviet Union is expected to become a net importer of oil. A more detailed assessment of the Soviet threat and current activities follows later in this statement.

## REGIONAL UPDATE

As the events of the past year have proven, the Central Command Area of Responsibility is a highly volatile, unpredictable, and rapidly changing Region. For reference, a map of the region is provided.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## India-Pakistan-Afghanistan Sub-region

The Indo-Pakistan relationship has been marked by dispute and conflict from the moment of Partition in 1947. Both nations now enjoy a new generation of democratically elected leadership. The leaders have just signed three agreements. Many hope that this signals the beginning of an era of improvement in relations, but it would be unrealistic to expect an immediate shift of position by either side. Yet, it is critical to United States interests that these neighbor states live in peace and cooperation with one another.

Though not in Central Command's Area of Responsibility, India is perhaps the preeminent South Asian nation. New Delhi is already among the most influential of the third world capitals. Although India has close military and economic ties with the Soviet Union, it is beginning to build the basis for more cooperative relations with the United States, especially in the field of technology transfer.

The Pakistanis remain concerned over the motives and intentions of their Indian neighbors and focus a great deal of defense preparedness in this direction. Nonetheless, the Pakistanis resisted the Soviet invasion of Afghanistan even before the United States became involved. In light of the Soviet withdrawal, the resettlement of an Afghan refugee population of 3 million people concentrated in Pakistan and along its border with Afghanistan is now a major concern. Pakistan supported the Afghan Mujahedin's efforts throughout the war and can be expected to have close relations with a new Afghan government.

### Pakistan

Pakistan is a key partner with the United States and also enjoys good relations with other Islamic states in the area. It may begin to play a more significant role in encouraging regional stability. Its forces are large and among the best trained in the area. A top priority for their military is to upgrade inadequate and obsolete equipment.

Our own strong relationship with Pakistan has been fostered by our substantial military and economic assistance program, the second largest in the Area of Responsibility, and by the sale of weapons systems to satisfy defense requirements. Military to military cooperation and consultation between Pakistan and the United States has been enhanced through the United States/Pakistan Consultative Group Meetings in which United States Central Command is a principal participant. Assistance to Pakistan supports our goal of improving Indo-Pakistan relations, encouraging Pakistan's efforts to suppress narcotics activities, and promoting Pakistan's conventional self-defense capabilities.

### Afghanistan

The Soviet withdrawal left behind an Afghan economy that is severely damaged and a regime that is facing increasingly effective opposition from the Mujahedin. It is clearly in the United States interest to have stability in the region and encourage the return of the large refugee population now living across the borders in Pakistan and Iran. We are already working toward these goals by assisting the UN with training of Afghan refugees to detect and dispose of the millions of mines which the Soviets have left behind. Both bilateral and multilateral participation by the United States in rebuilding the economy will also help achieve stability.

### Iran-Iraq Sub-region

The United Nations-sponsored Iran-Iraq cease-fire is still holding, but this "no war, no peace" stalemate continues to perpetuate regional concerns. While it may appear that peace is truly at hand, this end of the fighting does not guarantee stability in the Gulf Region. Efforts on both sides to rearm with conventional weaponry, long range missiles, and new stockpiles of chemical weapons are an unwelcome omen. The end of the fighting left Iraq as a premier regional military power. Projected Iraqi procurement of large quantities of state of the art weaponry into the next century will further increase its military advantage over Iran as well as other states in the region. The Iran-Iraq war also set dangerous precedents in the region by the widespread use of medium range missiles and chemical weapons. The prospects for the return to normalcy are better this year than at anytime in the past eight. However, the Iran-Iraq situation still threatens to destabilize the region into the 1990s. The United States must maintain a balanced approach toward Iran and Iraq to encourage peace in the Region.

### Iran

Iran continues to be a key concern in the Region, due to its location as a buffer to the Soviet Union, its oil wealth, and its large population. In the aftermath of its war with Iraq, Iran still poses a major threat to the Gulf Cooperation Council states. Iran will attempt to rebuild its military and economy to balance what it perceives to be the primary threat - Iraqi supremacy in the Gulf area. The threat of another war with Iraq is always a possibility.

Iran's rift with the West and the end of the conflict have created opportunities for growing military assistance by Asian Communist states, and may allow an increasing Soviet role in the Iranian economy. Although Iran will remain fearful of foreign domination, the USSR is in a good position to improve relations and increase influence on Iran. There are signs that their relations are already improving.

The country's future directions are clouded by an intensifying leadership struggle to succeed Khomeini. The re-emergence of the radicals evidenced by the dismissal of Ayatollah Montazeri as "designated successor" to Khomeini and the Salman Rushdie incident further complicates the issue. While Majlis Speaker Rafsanjani and pragmatists may survive, the radicals who oppose ties with the West will play the major role in determining policy. However, Iran's inherent importance and its need to offset Soviet power on its northern border may eventually lead to the restoration of United States-Iran relations, but perhaps not until well after Khomeini is gone. For the next several years, the United States should patiently exert a moderating and counterbalancing influence to Soviet expansionism in Iran. Additionally, the United States must assist friendly states to counter Iranian influence in the region.

### Iraq

Iraq poses a potential military threat to the weaker and more conservative Gulf Cooperation Council states, despite their extensive support for Iraq against Iran. Iraq's persistent claims to strategic portions of northeastern Kuwait could be a problem in the future. Iraq is expected to continue arms imports at the rate of one billion dollars per year from the Soviet Union while increasing military procurements from West European and third world sources. Developing indigenous arms industries will play a significant role in the 1990's, particularly in developing weapons of mass destruction and the medium-range ballistic missiles to deliver them.

Despite its present external debt of nearly $80 billion, Iraq's aspirations to great power status are supported by its vast oil reserves. By the early 1990's, Iraq could be second only to Saudi Arabia in terms of proven oil reserves (over 100 billion barrels), and oil export capacity (about four million barrels per day). As is the case with Iran, the United States must seek to assert a moderating influence in Iraq.

## Arabian/Persian Gulf

The reduction of threats against United States interests in the Persian Gulf allows us to modify force levels in the region. However, it is important that we avoid a precipitous drawdown of United States military forces that would send the wrong signal as regards the United States commitment to sustaining peace in the region. The key to drawing down forces is close coordination between the Department of State, Department of Defense, and the Congress, as well as our traditional allies and regional friends. The United States must not lessen interest in the region nor permit that perception to develop. We have earned immense respect and received much cooperation from the Gulf Cooperation Council (GCC) States. Their support during our protection mission was and remains essential to success. Each state has made discreet and valuable contributions. For the future, we are encouraged that moderate nations of the Gulf Cooperation Council will continue to act as a stabilizing influence as they work together towards improving regional defensive capabilities.

## Kuwait

Kuwait is well known for its role in the world's petroleum market. Its substantial financial assets give it a world-wide importance that far exceeds its size. However, it is militarily and geographically vulnerable and the uncertainty of a lasting Iran-Iraq cease-fire will continue to threaten Kuwait's security. As a direct result of the United States reflagging of Kuwaiti ships and the Persian Gulf escort operations, we enjoy increased military-to-military cooperation. Central Command strongly endorses continued United States security assistance to promote Kuwait's ability to defend itself, participate in regional defense arrangements with other Gulf Cooperation Council states, and maintain previously delivered United States military equipment.

Bahrain

Bahrain is a long-term friend of the United States and shares United States goals for regional peace and stability. Bahrain is an important contributor to Gulf Cooperation Council regional defense. Its continued friendship and cooperation with the United States has been well evidenced by its crucial assistance to our Joint Task Force Middle East (JTFME). The leased facilities we have in Bahrain are critical to maintaining operations throughout the Gulf. Purchases of United States military equipment by Bahrain help it accomplish its regional defense responsibility. Our security assistance program is an important factor in Bahrain's ability to continue to assist in regional defense efforts. Elimination of the Stinger buy-back provision would be the most significant step we could take to reaffirm our close ties with this trusted partner. Forcing Bahrain to return those limited numbers of weapons will entail considerable loss of face for pro-U.S. government leaders and significantly affect future relationships.

Qatar

Qatar is an important oil and natural gas producer in the region. Its continued security is a significant concern to the other oil-exporting states and the west. Its location at the center of the Persian Gulf region is important to the free passage of petroleum resources. Seeking to improve its capabilities as a Gulf Cooperation Council member, Qatar is endeavoring to develop a modest military deterrent by purchasing state-of-the-art defensive weapons systems from France and Italy. The current Stinger controversy has interrupted United States-Qatar bilateral relations and the training of Qatar's military. Once this issue is resolved, we look forward to resuming our previous military assistance relationship to help Qatar achieve improved self-defense capabilities.

## United Arab Emirates (UAE)

The UAE's strategic location bordering the Strait of Hormuz, its oil wealth, its generous foreign assistance program, as well as its efforts to mediate in regional conflicts, give it more influence than the size of the federation would suggest. One of its security challenges is to defend the long UAE coastline and numerous islands. Following Iranian ship attacks adjacent to the UAE and Tehran's August 1987 mining of the waters off Khor Fakkan, the UAE supported increased western presence aimed at enhancing freedom of navigation and safe passage through international waters. United States security assistance sales are designed to improve air defense and early warning capabilities to counter threats to UAE security.

## Oman

Oman's strategic location commanding the southern flank of the Strait of Hormuz makes it vital to regional stability and to the flow of oil resources from the Persian Gulf. Oman has proven to be a staunch friend of the United States. The Sultan of Oman was the only Arab leader to publicly support the Camp David Accords, and Oman was quietly supportive of our activities in the Persian Gulf during the Iran-Iraq war. Oman is an important factor in United States Central Command's strategy in the area. However, recent budget shortfalls resulting from declining oil revenues have caused Oman to cut back on expenditures and force modernization. Central Command's ability to respond to contingencies in the area depends on continued cooperation between the United States and Oman.

## Saudi Arabia

The largest Gulf Cooperation Council member is Saudi Arabia. Its preeminence within the Arab world in terms of its resources, geostrategic location, moderate western oriented leadership, and religious and political influence among Arab states, makes it a key to stability on the Arabian Peninsula. Saudi Arabia extends significant financial assistance to moderate governments, even in the wake of depressed oil revenues, and engages in diplomatic efforts to resolve regional conflicts. As a result of its holding the world's largest known oil reserves, Saudi Arabia is a prominent player in the international economic structure and a focal point of United States cooperative interests in the region. Its cooperation was indispensable to the enormous success of the measured United States actions in the Persian Gulf. However, continued unwillingness to approve Saudi arm sales requests is having lasting consequences. The traditional position the United States military enjoys with Saudi Arabia is beginning to be assumed by others. The United Kingdom will soon replace the United States as the primary aircraft supplier. As a result, the United States has lost tens of billions of dollars in exports as well as associated domestic jobs. United States military influence over the amount, type, and use of weaponry in the region is further reduced. Ultimately, if United States support of Saudi Arabia continues to diminish, the entire region will question the United States commitment and its reliability as a dependable security partner.

## Jordan

The United States has long enjoyed a dependable and cooperative friendship with Jordan, one of the most moderating influences in the Middle East. Jordan's unwavering pursuit of negotiated peace makes it an indispensable component of regional stability. Jordan can assist in defusing intra-Arab frictions and play a prominent role in searching for solutions to the

Arab-Israeli confrontation and the Palestinian issue. At the same time, Jordan clearly demonstrates its willingness to buttress regional security by providing training to moderate Arab nations and exercising with United States forces. Confronted with an austere economic future, Jordan finds satisfaction of its security needs increasingly difficult. Traditionally, Jordan has turned to the West, and especially to the United States, as its prime military supplier. In spite of the enhanced military-to- military relationship stemming from the annual United States- Jordanian Joint Military Commission meetings, the United States is losing crucial opportunities to sustain and bolster this invaluable relationship. As security assistance levels are allowed to decline, and arms sales requests are denied, Jordan will undoubtedly be forced to turn to other sources for its defensive military requirements.

## People's Democratic Republic of Yemen (PDRY)

Marxist PDRY occupies a strategic location on the Arabian Peninsula at the Bab el Mandeb. Firmly in the Soviet camp, its current ideology, defense arrangements and military capabilities pose a potential threat to Saudi Arabia, Oman, and Yemen Arab Republic. The large Soviet and Cuban in-country presence makes PDRY, in effect, a site for Soviet forward deployment in this strategic area. From this position, the Soviets can quickly posture forces to control or close the vital Bab el Mandeb. The United States does not have diplomatic relations with PDRY at present. The United States should encourage low-key efforts by friendly states aimed at encouraging more normalized relations between PDRY and its neighbors.

## Yemen Arab Republic (YAR)

The Yemen Arab Republic (YAR) is a strategically important country that lies adjacent to the Bab el Mandeb choke point at the southern exit of the Red Sea and borders the Marxist People's Democratic Republic of Yemen (PDRY). With the growing oil exports from the Saudi Red Sea port of Yanbu, control of the nearby Bab el Mandeb is becoming more critical, thus increasing YAR's strategic importance. This increasing strategic importance is magnified by the political and economic instability of countries in the immediate area. YAR is also exporting increasing quantities of its newly discovered oil. This has improved its economic standing but it remains heavily dependent on outside assistance. The Soviet Union continues to take advantage of political and economic uncertainties in the region and has established a significant presence in the YAR, PDRY, and Ethiopia through its liberal credit terms, sales of military equipment, and generous training programs. The current modest United States security assistance levels cannot challenge the Soviet position, and the funding to support even the existing programs is threatened. Despite this, YAR leadership continues to express a desire to further improve relations with the United States. Increased security assistance is necessary to reduce YAR dependency on the Soviet Union and to create the inroads necessary to offset growing Soviet pressure in the vicinity of the Bab el Mandeb.

## Somalia

Somalia and Djibouti are the only non-Soviet influenced states on the littoral of the approaches to the strategic Bab el Mandeb - back door to the Suez Canal and choke point for oil moving from the Saudi Red Sea port of Yanbu. Access to facilities in Somalia remains a pivotal factor in Central Command regional strategy and planning; its importance is heightened by the growing Soviet regional military capability. Ethiopia's better equipped and numerically superior armed forces remain a potential threat to Somalia. During these difficult times, the United States continues to encourage the Somali government to seek a political settlement to its ongoing civil conflict, to respond effectively to human rights concerns, and to implement needed economic reforms. Somalia's strategic location and importance to United States security interests require it to be given immediate attention. It is essential that we continue to support Somalia in order to ensure its territorial integrity and continued United States access to critical facilities there.

## Ethiopia

Ethiopia, strategically located on the southern reaches of the Red Sea and overwatching the Bab el Mandeb, enjoyed a strong relationship with the United States prior to the 1974 military coup. In a twist of events, the Soviet Union supplanted the United States as the main military assistance partner to Ethiopia. Massive Soviet military aid coupled with several thousand Cuban troops and Soviet advisors enabled Ethiopia to repel the Somali invasion of 1977. Since then, internal civil conflicts with Eritrean separatists in the north and Tigrean rebels in the north-central part of the country have escalated causing additional setbacks for the government. Despite some 6 billion dollars in Soviet aid and the largest army in sub-Saharan Africa, the government has been unable to defeat the insurgents. The war has ravaged an economy already devastated by drought and the usual failures associated with Marxist economic practices. There are indications, however, that Ethiopia is tempering its views on relations with the Soviets, solutions to internal problems, and relations with the United States. Should the Ethiopians offer openings that could defuse regional tensions and which are acceptable to the United States Government, Central Command is ready to play the appropriate role in helping to rebuild a bilateral relationship.

## Djibouti

Though small in geographic size, Djibouti is an important country in the Horn of Africa. Its strategic location at the Bab el Mandeb, its pro-western orientation and support, its continuing cooperation with United States naval forces, and the presence there of French warships and aircraft have made it a valued friend. This friendship and cooperation was greatly in evidence during our recent Persian Gulf operations as Djibouti allowed increased ship visits. Currently, the government is facing the dual problems of an ailing economy and the difficulties imposed by its location wedged between two powerful neighbors. Continued support of security assistance to this friendly country is clearly in our interest.

## Kenya

Kenya is a key friend of the United States and plays an important role in our security strategy in the Horn of Africa. The United States has maintained a long, close relationship with Kenya, manifested by important economic ties and military agreements. Kenya grants United States military access to airfields, ports and storage facilities, as well as provides fuel, repair and resupply services to United States ships and aircraft. Mombasa serves as the only major port of call for the United States Navy on the east coast of Africa. In the midst of a growing economic crisis, faced with a burgeoning population and a concomitant reduction in revenues, Kenya is finding it increasingly difficult to make payments to international creditors. Although facing no major external threat, Kenya continues to contend with incidents originating from cross-border migrations and bandits. It places great importance on United States security assistance. The continuation of security assistance funding will help maintain the close relationship with this good friend.

## Sudan

The largest country in Africa, and bordering eight countries and the Read Sea, Sudan has the potential to control the headwaters of the Nile, thus affecting the economic lifeblood of Egypt. Politically, a pro-Egypt/pro-West, or even a neutral Sudan acts as a buffer between the pro-Soviet countries of Libya and Ethiopia, thereby preventing the isolation of Egypt from the rest of Africa by a crescent of hostile states on its western and southern flanks. However, since independence in 1956, Sudan has been beset by periodic civil strife and bouts of political and economic instability. A seventeen-year civil war between the Arab north and African south was settled in 1972, only to break out anew in 1983. Widespread famine and suffering induced by the war have been exacerbated by drought and floods. The Sudanese government has been unable to end the war or to stop the country's slide toward economic bankruptcy. Additionally, there are indications that Sudan's traditionally close relationship with Egypt is becoming increasingly strained due both to Prime Minister al-Mahdi's ongoing efforts to improve relations with Libya and to al-Mahdi's open differences with Egyptian President Mubarak over al-Mahdi's domestic political and economic policies. In February 1989, the military, frustrated with what they saw as government ineptitude, issued an ultimatum for reform and an end to the civil war. Although too early to predict the outcome of this action, the military-induced restructuring of the government casts a much-needed ray of hope on steps to end the war. In the interim, U.S. Central Command hopes to continue the positive relationship it has long enjoyed with the Sudanese military. Although our security assistance, in terms of dollars, has shrunk to nothing, we have thus far managed to maintain this relationship through extraordinary effort. We are fully aware of the political sensitivity of both increasing military assistance and providing limited lethal aid to Sudan at this juncture. However, we must balance these concerns with the need to assist our friends in Sudan in order to enable them to support our mutual quest for peace and regional stability.

## Egypt

Egypt's commitment to peace and stability in the Middle East continues to make this strategically located nation one of America's most important regional partners for peace. Egypt is the owner, operator and protector of the critical Suez Canal passageway and also presents a credible deterrent to further Libyan adventurism. Cairo has historically been one of the key centers of influence in the Arab world, and Egypt's diplomatic reemergence assures that it will remain a powerful voice for peace in the region.

Nonetheless, Egypt faces challenges across a broad front. Population expansion, the need for stringent economic reforms and the ever present threat from Libya and other radical Arab terrorists mean Egypt is looking more and more to the United States for help. Our security assistance efforts are a vital component of this relationship, as are the annual United States/Egypt Military Coordinating Committee meetings. Egypt tries very hard to support United States interests in the Middle East. Often, however, they display a solidarity with other Arab states in criticizing United States direct action. Unfortunately, this fosters among some the belief that Egypt is a fickle ally, when, in fact, it remains a most important partner with the United States in promoting regional peace and stability.

## Libya

Although Libya is not within Central Command's Area of Responsibility, Libya and its activities in northeast Africa have a direct bearing on our friends in this crucial region. Libyan aggression in Chad has spilled over into Sudan, creating conditions for political unrest in western Sudan. Libyan attempts to influence the Khartoum government are viewed by both the United States and Egyptian governments as attempts to destabilize Sudan and bring it into Libya's orbit. In addition, Libya constitutes a direct terrorist and military threat to Egypt; a threat the Egyptians take seriously. Libya's possession of modern offensive weaponry, including the emerging capability to manufacture chemical weapons, and Qadhafi's unpredictable and frequently erratic behavior, give credence to Egyptian concerns. Our assistance efforts in Egypt and our positive contacts with the Sudanese military serve to bolster the capabilities of these two countries to resist and counter Libyan regional destabilization activities.

## THREAT

The Soviet threat to the region exists on two levels. First, outright Soviet invasion of the region is unlikely but possible. Second and more worrisome are the Soviets' recent successes in cultivating influence not only with their client states, but also with states which the United States considers its friends.

### Outright Soviet Invasion

Soviet force levels in the three southern Soviet military districts opposite the Central Command Area of Responsibility are sufficient to mount an invasion of Iran. Weapons, equipment, and command-and-control systems in these districts are gradually being upgraded. Tactical air assets have been expanded and modernized. More significantly, their composition reflects a change of mission from air defense to forward tactical air support of ground commanders. Many units in these military districts have commanders and troops with combat experience in Afghanistan. Taken together, these factors indicate that a Soviet attack southward into the Central Command Area of Responsibility, while unlikely for a variety of reasons, remains militarily feasible.

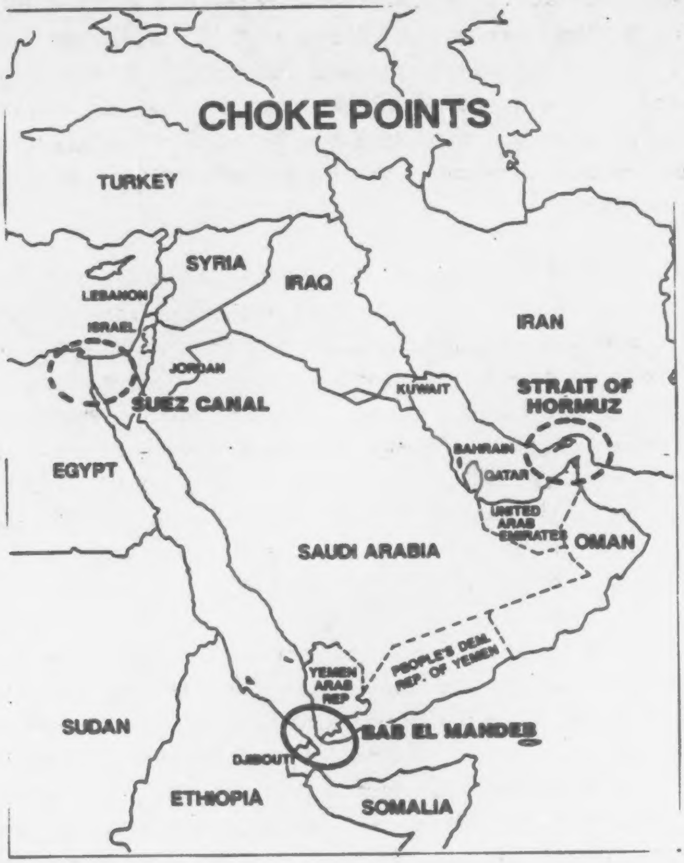
### Increasing Soviet Influence

A more insidious Soviet threat exists on another level. In recent years, the Soviets have increased their influence in the region, in both their own client states and in states otherwise not identified as Soviet-aligned, by means of subtle diplomacy, a low-key naval presence in regional waters, and a massive and effective program of military sales and assistance.

The Soviet withdrawal from Afghanistan removed an obstacle to Soviet relations with the Muslim world, and with the Arabs in particular. Despite a residual reluctance to deal with atheistic communists, even conservative states such as Oman, UAE, and Qatar have recently established diplomatic relations with Moscow. Saudi Arabia and Bahrain are still holdouts, but have given indications that this may change soon. Through patient, persistent diplomacy, the Soviets have engineered incremental improvements in relations with regional states. They have opened more consulates, increased trade, and gained agreement for more aircraft and ship visits to regional states.

The Soviet naval presence in the Persian Gulf and the Gulf of Oman has not decreased since the Gulf War cease-fire. Soviet naval assets include 6 to 8 combatants, among them 3 to 4 minesweepers; the flag ship of the Soviet Indian Ocean Squadron; and auxiliary support ships sea based in the Gulf of Oman. Their escort of Soviet-flagged, Kuwaiti-leased tankers and merchant ships has increased Soviet influence with Kuwait, and could result in what appears to be a permanent Soviet presence in the Persian Gulf. Already, Soviet naval presence in the Persian Gulf and adjacent waters exceeds that of the United States.

Disturbing as this is, it is the Soviet presence around the Bab el Mandeb, the strait connecting the Red Sea and the Indian Ocean, that perhaps augurs more ominously for the interests of the United States and its friends. The Soviets' naval base on Ethiopia's Dehalak Island, just north of the Bab, gives them a position of strong influence over all maritime traffic, commercial or military, transiting the Red Sea. The Soviets' position astride the principal sea lane linking Europe and the Atlantic to the Persian Gulf and East Asia is reinforced by their established presence on the Ethiopian mainland and in South Yemen (PDRY). Moreover, the Soviets have in recent years also gained limited but growing access to North Yemen (YAR), which like Ethiopia and PDRY lies adjacent to the Bab (see map). In times of sudden crisis, Soviet control of the strait would be virtually uncontested.


CHOKE POINTS
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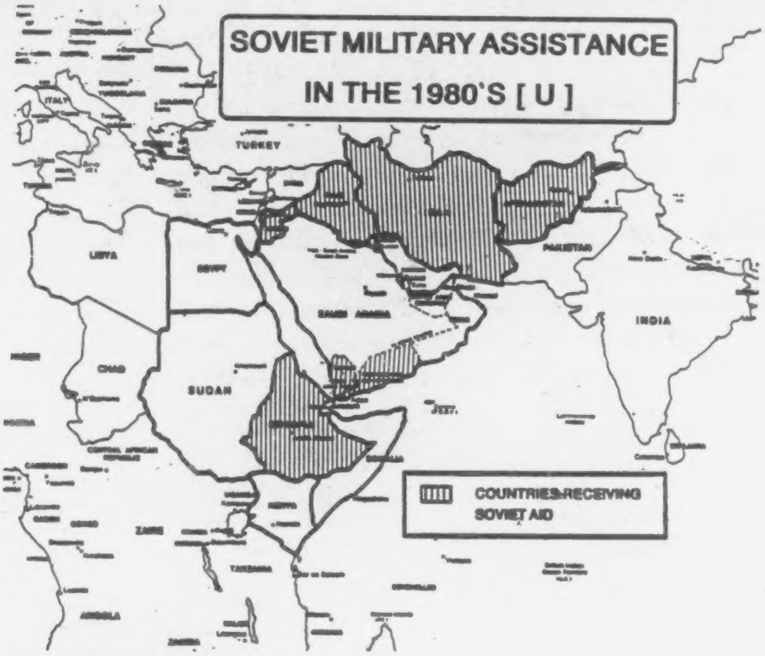
QATAR
EGYPT
UNITED ARAB EMIRATES
OMAN
SAUDI ARABIA
PEOPLE'S DEM. REP. OF YEMEN
YEMEN ARAB REP
SUDAN
BAB EL MANDEB
DJIBOUTI
ETHIOPIA
SOMALIA

Perhaps the most important element supporting the steady expansion of Soviet influence in the region is their readiness to sell and quickly deliver arms to virtually any buyer. In eight of the 19 countries in the area (see chart), Soviet security assistance has been increasing markedly. Iraq ranks second among non-aligned countries worldwide in purchase of Soviet arms. In 1988, Afghanistan received a record-high of over $2.5 billion in Soviet security assistance. In the last five years, countries in the Central Command's Area of Responsibility received approximately $29 billion in Soviet security assistance -- over $7 billion in 1988 alone. Moreover, higher levels of Soviet arms sales mean increased presence of Soviet technicians and advisors in purchasing countries.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IN THE 1980'S [ U ]
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EGYPT
SAUDI ARABIA
PAKISTAN
INDIA
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SUDAN
SOMALIA
ZAIRE
TANZANIA
ANGOLA
▥ COUNTRIES RECEIVING SOVIET AID

All of these moves by the Soviet Union are low-key, but their net result is to undercut United States influence in the region. We must counterbalance the Soviet effort, or their strategy will prove correct.

Terrorist Threat

The threat of international terrorism is currently one of the most serious problems facing the United States and the countries within Central Command's Area of Responsibility. The level of terrorism remains a constant concern and serves as a destabilizing factor throughout the region.

Over 60 terrorist groups are currently known to exist in the region. Moreover, a growing percentage of the population in the Middle East is under 25, unemployed and restless. This demographic phenomenon offers fertile ground for radicalization, be it religious, nationalistic, ideological or economic.

Many terrorist groups originating in the Middle East are influenced and supported by state-sponsors such as Iran, Libya, Syria and Afghanistan. Radical Palestinian groups such as the Abu Nidal Organization and the Popular Front for the Liberation of Palestine General Command continue to rank among the most deadly and capable groups that operate and train in the area. Iraqi-sponsored terrorism could reemerge on the international scene and an increase in Iranian-sponsored terrorism is expected, as these two countries divert their attention from the war front to a post-war era.

## NATIONAL AND REGIONAL OBJECTIVES

Our national security strategy reflects United States national interests and objectives. It provides the broad plan for satisfying our national security objectives. These national security objectives are well defined.

- Safeguard the United States and its allies and interests by deterring aggression and coercion across the conflict spectrum; and should deterrence fail, by defeating armed aggression and ending hostilities on terms favorable to the United States and its allies.

- Encourage and assist our allies and friends in defending themselves against aggression, coercion, subversion, insurgency, terrorism, and drug trafficking.

- Ensure access to critical resources, markets, the oceans, and space for the United States, its allies, and friends.

- Where possible, neutralize Soviet military presence and influence throughout the world, increase the disincentives for Soviet use of subversive force, and encourage independent policies by Soviet client states.

- Prevent the transfer of militarily critical technology and resources to the Soviet bloc and hostile countries or groups.

- Prevent the spread of nuclear, chemical, or biological weapons.

- Reduce our reliance on nuclear weapons by strengthening our conventional and chemical deterrent; pursuing equitable and verifiable arms reduction agreements and insisting on compliance with such agreements; and pursuing technologies for strategic defense.

- Address the root causes -- military, political, economic and social -- of regional instabilities, and maintain stable regional military balances.

Former President Reagan and President Bush have steadfastly reaffirmed America's commitment to protect United States and free world interests in the Region. My task is to put military capability behind these national commitments. Accordingly, United States Central Command objectives are as follows:

- Strengthen regional stability by prudent application of United States influence, presence, and aid.

- Preserve free world access to Southwest Asian oil resources.

- Limit the ability of unfriendly regimes to destabilize or subvert the governments of our friends and allies.

- Counter Soviet initiatives to gain influence and power in the region.

- Deter and, if necessary, defend against Soviet aggression.

Using these national and regional security objectives as a guide, United States Central Command has developed a theater strategy that recognizes the importance of the region, considers its unique problems and addresses the regional and global threat.

## THEATER STRATEGY

Two mutually supporting strategies must be worked simultaneously to accomplish these objectives. The first strategy is used to guide actions during peacetime and prepare the stage should the second, a wartime strategy, need to be executed.

### Peacetime

The goal of Central Command's peacetime strategy is deterrence. This strategy is designed to strengthen our ability to deter war by demonstrating our resolve to support allies and friendly nations and to counter increased Soviet influence. This is best accomplished by demonstrating to our friends in the region our solid commitment to their security. By doing so we enhance our ability to maintain continued access to the region. Security Assistance, presence, and exercises in the region are the pillars of the strategy.

- Security Assistance permits the regional states to strengthen their ability to defend themselves by providing arms, military training, technical training and logistical support.

- Visits and consultations are designed to gain and maintain access to key sites within the region while building trust and confidence in our capabilities and intentions to participate in a cooperative defense.

- Daily presence of operational forces and a well-developed program of frequent combined exercises confirm commitment and bolster mutual confidence in our ability to execute a coalition defense of the region.

Regional nations must be continually assured that the United States has a long-term commitment to their security and that United States resolve to defend against external aggression is lasting. This strategy supports the achievement of national objectives in an environment of peacetime competition and builds the foundation upon which the wartime strategy rests. An example of such commitment is the presence of the Joint Task Force Middle East in the Persian Gulf and Northern Indian Ocean which played a major role in achieving the cease-fire. Central Command will maintain a naval force in the region, at a level consistent with the threat and the requirement for our presence. Our friends in the region see this as a key element of our commitment to their security.

## Wartime

Central Command's wartime strategy is derived from an analysis of Soviet long-term strategic objectives in Southwest Asia. Those historical objectives focus on alternate warm water ports, oil resources, land access, and control of lines of communication to those resources. Hence, our strategy is designed to deny Soviet attainment of those objectives.

Our strategy reflects that, within the context of a global strategy and finite available forces, Central Command could well be a secondary theater. It places a premium on coalition warfare in which our friends and allies assume a share of the responsibility for defense of the region. This allows United States forces to concentrate on challenging and denying the Soviets their objectives.

The Command's strategy is sufficiently flexible to accommodate uncertainties which will not be known until the time of execution. It accommodates these variables by providing flexible execution options. This approach serves deterrence as well as war fighting. If deterrence fails, the options bring to bear available forces at key locations to strengthen regional defenses, deny the Soviets their strategic objectives, and ultimately confront and defeat them.

In sum, the Central Command's strategy is necessarily one of economy of force which capitalizes on the synergistic effect of United States and friendly forces to selectively deter or counter hostile Soviet military actions. Clearly, coalition warfare and active military support of our objectives by friends and allies are critical.

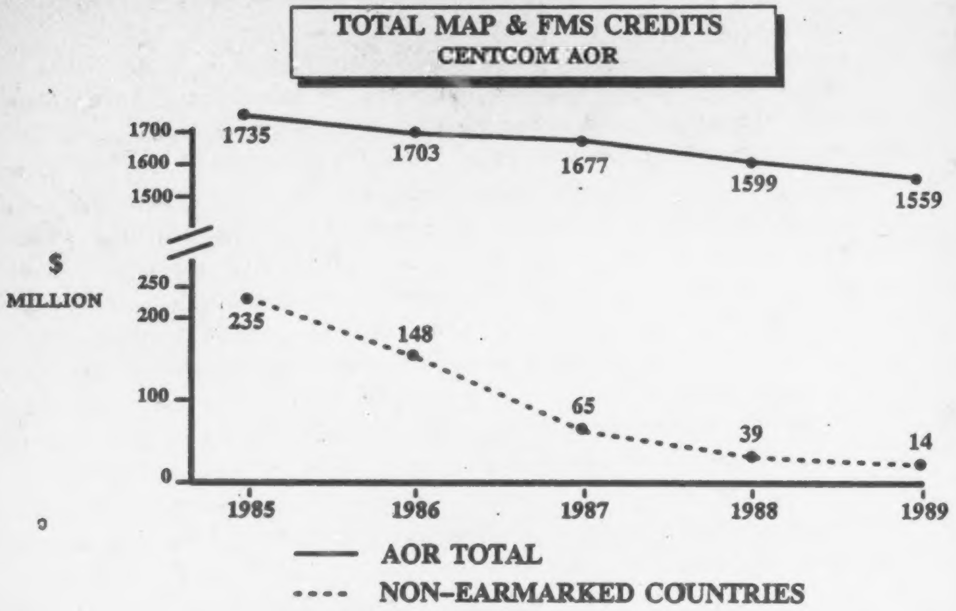
## RESOURCES

Declining budgets will require tough decisions to ensure that this nation gets the most for its dollar. If Central Command is to accomplish its peacetime and wartime missions, there must be continued support in the following areas:

### Security Assistance

In order for the United States to exercise effective leadership within a cooperative regional framework, a credible security assistance program for the Central Command region is necessary. Security assistance is an essential instrument in the implementation and integration of the twin pillars of our national military strategy - deterrence and forward defense. Security assistance has been, and can continue to be, a productive and cost-effective investment which yields enormous returns at a relatively small price. The role of security assistance in Central Command's theater strategy calls for programs tailored to build a coalition of strong local forces, capable and confident in combined operations, when required, with the Central Command forces. With no permanently stationed Central Command troops on the ground, this coalition of local forces serves as a ready and effective force multiplier. This reliance on our regional friends and allies becomes even greater as our own defense budget declines.

As emphasized throughout this statement, program reductions since 1985 and restrictive arms transfer policies have damaged our credibility as a reliable security assistance partner and threatened our regional access and overall military-to-military relationships. This situation is further exacerbated by "earmarking" security assistance funds which has caused some of our country programs to bear a disproportionate share of the reductions. In the past few years, earmarks have remained relatively constant while non-earmarked funds are down by 94%, as shown on the chart below.



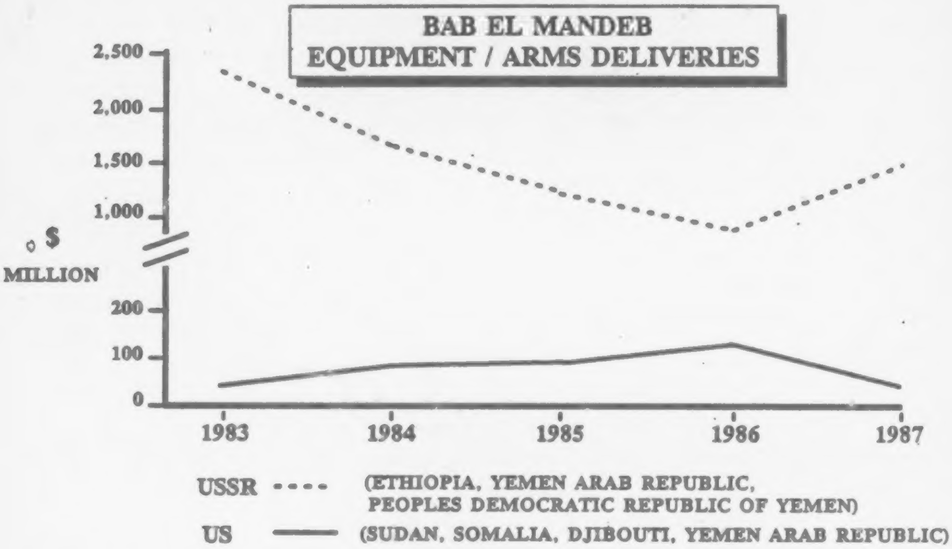
These reductions send an ominous signal to non-earmarked countries. Should this trend continue, the damage to United States' interests in the area may prove irreversible.

In order to ensure the most efficient use of funded security assistance, it is necessary to plan and fund long-range programs. Reductions since 1985 have eroded the effectiveness of many programs, and threatened self-sufficiency, regional defense arrangements and major capital security assistance investments. These reductions, combined with Congressionally restricted arms transfer policies for cash countries, have given our adversaries increasing confidence that they can challenge United States interests with impunity. Further, a void has been created for others to fill as they increase their influence and actively pursue the international arms export market. Over $43.1 billion in known arms sales have been lost by the United States in the last four years.

The recent $30-35 billion purchase by the Saudis of British aircraft, air bases, and other equipment is a prime example of our western allies filling the gap created by our restrictive arms transfer policies. On the other hand, the stringent restrictions and conditions imposed before approving the sale of 70 Stinger anti-aircraft missiles to Bahrain is an equally disturbing example. (One of the conditions of the Bahrain Stinger sale was a mandatory buy-back provision, requiring that Bahrain agree to sell the Stingers back to the United States no later than 18 months from the date of enactment of the legislation. The sale was approved only after the buy-back provision was included.) Such provisions embarrass both the United States and the purchasing country by insinuating that we cannot trust a proven friend and that our own commitment is vacillating. During our Persian Gulf operations in 1988, Bahrain's support, as well as that of other Gulf Cooperation Council countries, was significant as together they provided the United States almost $90M worth of fuel support and other services. This is the sort of cooperation we must have if we are to continue to achieve military objectives there. Without the good relationships fostered by security assistance, including arms sales, we cannot be sure of sustaining this level of cooperation in the future.

While security assistance is the key to conducting coalition warfare, it can also promote a whole range of other security relationships -- influence, access, and mutual commitment. Unfortunately, the erosion of United States security assistance programs has actually escalated the probability of increased arms acquisitions from other sources.

While the Soviet Union has demonstrated flexibility and responsiveness in providing military assistance to meet its foreign policy objectives in the region, the US has failed to do so. For example, when one considers those countries surrounding the strategic Bab el Mandeb choke point opposite the Yemens, the Soviets have delivered over 20 times as much military equipment during the period 1983-1987 as has the United States. As shown below, United States military assistance began to counter Soviet influence through 1986; however, as United States funding declined, the Soviets immediately filled the void.



A similar situation is emerging in the Yemen Arab Republic. Over the years, our programs have been designed to demonstrate the superiority of American equipment and the reliability of our sustaining support. Meanwhile, the Soviets have aggressively been pursuing programs such as aircraft, tanks, personnel carriers, and air defense weapons. Now, it so happens that some of the U.S. aid helped the Yemenis develop a logistics course in their ordnance and quartermaster school. The course was so successful that the Russians asked if they could send students! The Yemenis politely demurred, but imagine the impact the Soviets' request must have had on them, and their consequent realization of the true value of American aid! And yet, in FY89, we were compelled to slash assistance to this strategic country by half, to only $500,000--a level at which even the bare minimum of U.S. programs cannot be effectively maintained. Meanwhile, the trend of intensive Soviet programs in Yemen shows every sign of continuing.

In Jordan, the steady decline in United States military assistance -- from a high of $115 Million in FY84 to $10 million for FY89 (the lowest figure since the mid-60's)--has significantly eroded the United States position, particularly with the Royal Jordanian Air Force. The Soviets have gained a virtual monopoly on Jordan's tactical air defense, the aging (and immobile) United States-provided Hawks notwithstanding. The King's decision last year to purchase British and French fighter aircraft--following a long and serious look at Soviet fighter aircraft--is probably part of a long-term trend toward increased military dependence on Europe.

Besides generally weakening our position in the area, some of the direct effects of funding reductions are:

- Postponement of force modernization.
- Cuts in logistics support for existing systems.
- Cancellation of entire programs.
- Degradation of the readiness of previously purchased weapons system.

For our friends and allies shown on the chart on page 39 (Sudan, Somalia, Djibouti and the Yemen Arab Republic), plus Jordan, only $13.5 million in United States-funded military assistance was provided for FY89. For FY90, we believe $134.5 million is the required amount for these countries in order to meet United States security assistance objectives and support our coalition warfare strategy. Anything less will put the economy-of-force aspect of our strategy at risk. We simply cannot afford to ignore the uniquely cost-effective advantages gained by prudent security assistance investments.

In short, the lack of a long-range, adequately funded United States security assistance program is threatening regional stability, decreasing available regional support, and opening the door for challenges to United States interests and influence. Should present downward trends and restrictive arms transfer policies continue, we may one day find our position so weakened that we cannot respond effectively to Soviet challenges.

## Exercise Support

With few permanently assigned forces, exercises provide the primary means to evaluate the joint capabilities of forces that would be assigned to Central Command. Joint Task Force Middle East currently represents the only assigned force continuously operating in the Area of Responsibility. Day-to-day operations and contingencies have resulted in operational improvements which make Joint Task Force Middle East a ready and experienced asset. Exercises must be used to improve and train the remaining forces of both the United States and our friends and allies in the area. Central Command's recent successes in the Persian Gulf and its consistently improving reputation throughout the Area of Responsibility have contributed to an easing of access restrictions. As a result, efforts are underway to capitalize on this opportunity to broaden the exercise program and involve more countries. Exercises will, however, require increased resource support in service O&M as well as JCS transportation funding above the FY88/89 level to support new initiatives. Small exercises are the first step in expanding military-to-military relationships and are a necessary and effective starting point in countries allowing first-time access. As exercise levels increase, command relationships, technical complexity, size, and importance of these exercises grow. Ultimately, this growth can progress to participation in the major exercise, BRIGHT STAR. Conducted every two years, BRIGHT STAR was last held in 1987, costing over 75 million dollars. This massive exercise provides the only opportunity to train and test a large joint Service United States force -- in coordination with the armies of several countries in the Area of Responsibility. It is essentially our dress rehearsal for the complex goal of interoperability. The required exercise level growth cannot be absorbed within the existing program. Therefore, an increased investment is needed now to provide the required practical battlefield simulation that will coalesce our forces with those of our friends.

In addition to providing improved training opportunities, the Central Command exercise program demonstrates our resolve to support friendly Area of Responsibility nations, provides a means to maintain regular access to areas without United States permanent bases, and increases military-to-military cooperation. The vast differences in climate and culture make it important that servicemen and women understand the character as well as the capabilities of those they may be fighting alongside. Increased support for the exercise program, as outlined above, is requested.

The nations of the Central Command Area of Responsibility vary widely in their economic ability to support their armed forces. Title 10 funding is the only way some of these countries will be able to participate in combined exercises. Because of severe financial difficulties, some countries cannot support participation without harming other essential programs. Congressionally established ceilings on Title 10, Section 2010 (Participation of Developing Countries in Combined Exercises: Payment of Incremental

Expenses) and Chapter 20 (Humanitarian/Civic Assistance) severely limit flexibility in developing viable programs across several countries. These two programs fund interaction with the host nation in two areas. First, Section 2010 enhances exercises by allowing us to support host nation participation in a combined exercise. Through this program, reimbursement for expended consumables, such as food, fuel, ammunition, etc., is possible, either by direct payment or by providing the consumables themselves. In countries with minimal reserve stockpiles this support is often critical. Second, Humanitarian/Civic Assistance allows the forces participating in these exercises to interact with the civilian populace by covering the costs of construction projects, such as water wells, and medical treatment supplies. These efforts dramatically improve relationships with people outside the military while training our service personnel. By linking the two programs to exercises, we enhance the image of the United States and gain critical access in the Area of Responsibility. One of the most beneficial Title 10 programs, Section 1051 (Bilateral or Regional Cooperation Programs Payment of Personnel Expenses), provides the capability to bring foreign personnel here to plan exercises and observe United States tactics in large scale exercises. Congressional authority to fund this travel under Title 10, section 1051 expires on 30 September 1989. An extension of this authority is required to ensure the continuance of this successful and beneficial program.

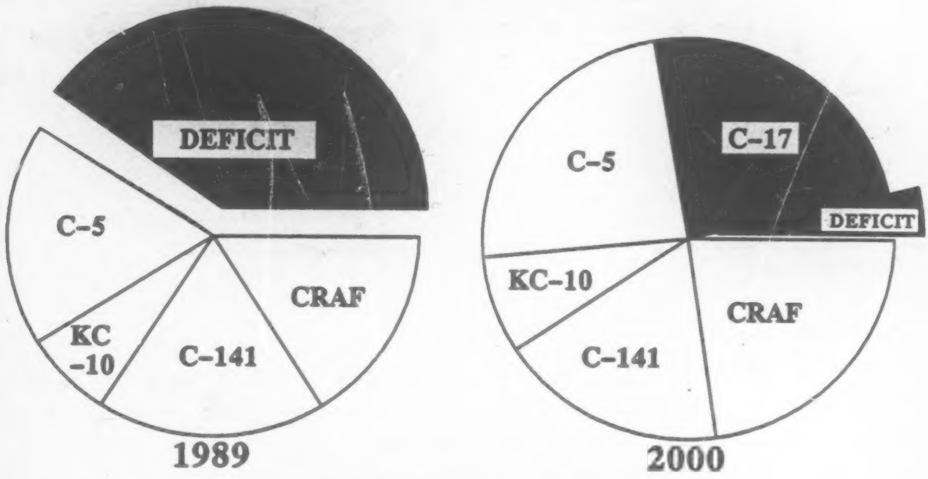
## Readiness

The readiness and sustainability of Central Command are manifested in the status of units and our ability to keep them supplied in combat. Our combat units have no significant readiness problems which preclude them from accomplishing their assigned mission. The readiness level of the Army non-major support units, especially in the Reserve Component, continues to be a concern. Because of your support, Army personnel, training and equipping programs have made substantial progress in many aspects of force readiness. Your past assistance is greatly appreciated and with continued support steady improvement is projected in the future.

Lift

Today both airlift and sealift resources are inadequate to meet our deployment requirements. As the chart below shows, the C-17 is the only current program that will provide a substantial increase in strategic airlift capability and take us close to the national goal of 66 million-ton-miles/day. Although Central Command would deploy only 17% of the national force, because of the huge distances involved, this deployment requires 50% of the national airlift goal. Since there exist other and competing high-priority requirements, we urgently need full support of the DOD airlift program.

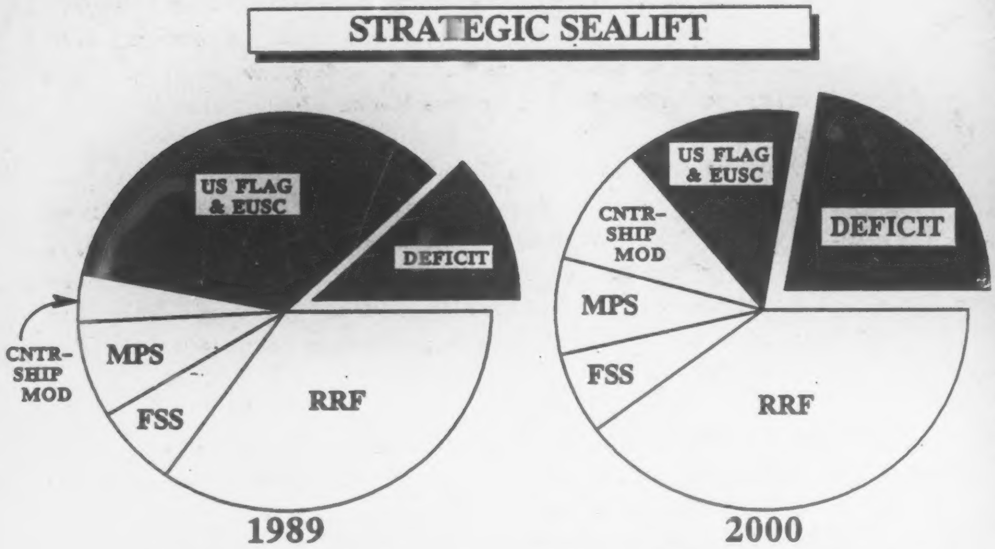
**STRATEGIC AIRLIFT**



GOAL: 66 MILLION-TON-MILES / DAY

CRAF - CIVIL RESERVE AIR FLEET

Our requirement in sealift is to move one-million short tons of unit equipment to Southwest Asia within 90 days. Currently, 89% of that requirement can be met, but unlike airlift we see no future ramp-up in this capability. In fact, the prognosis for sealift, shown in the chart below, is that the deficit will double in the next ten years.



**GOAL: ONE MILLION SHORT TONS (UNIT EQUIPMENT)**

**EUSC - EFFECTIVE US CONTROL**
**FSS - FAST SEALIFT SHIPS**
**MPS - MARITIME PREPOSITIONING SHIPS**
**RRF - READY RESERVE FORCE**

There are three contributors to this decline. They are:

- Availability of crews for Ready Reserve Force ships: Of the 29,000 man Merchant Seaman pool, more than 50 percent are over 50 years of age. A deficit of 12,000 trained merchant mariners is expected by the year 2000 against what we need to meet mobilization requirements.

- Decline of shipyard facilities and skilled workers: In 1980, there were 69 merchant ships under construction in American shipyards. At the end of 1987, there were no commercial ships under construction. The skilled shipyard worker force is down 30 percent from 1982. The decline of shipyards and their work force endangers our nation's ability to maintain and activate our Ready Reserve Force.
- Decline of United States Flag Merchant Fleet: It is not economically viable for United States Flag carriers to compete in the international marketplace. Accordingly, the size of the United States flag merchant fleet continues to shrink. Of 199 militarily useful dry cargo ships in operation in 1987 only 93 are projected to be available in the year 2000.

Because of the weight and cube of deploying units and their sustaining supplies, over 90% of Central Command's requirements will come by sealift. The sealift shortfall strikes at the heart of the deployment and sustainment lifeline. This problem is of particular concern to us, since we have no forward deployed forces.

Existing programs designed to maintain our current capability include expansion of the Ready Reserve Force and the Containership Modification Program. The latter buys seasheds and flatracks which enable containerships to carry unit equipment. Projections are that these existing programs, if fully supported, will marginally support unit equipment lift only until 1992.

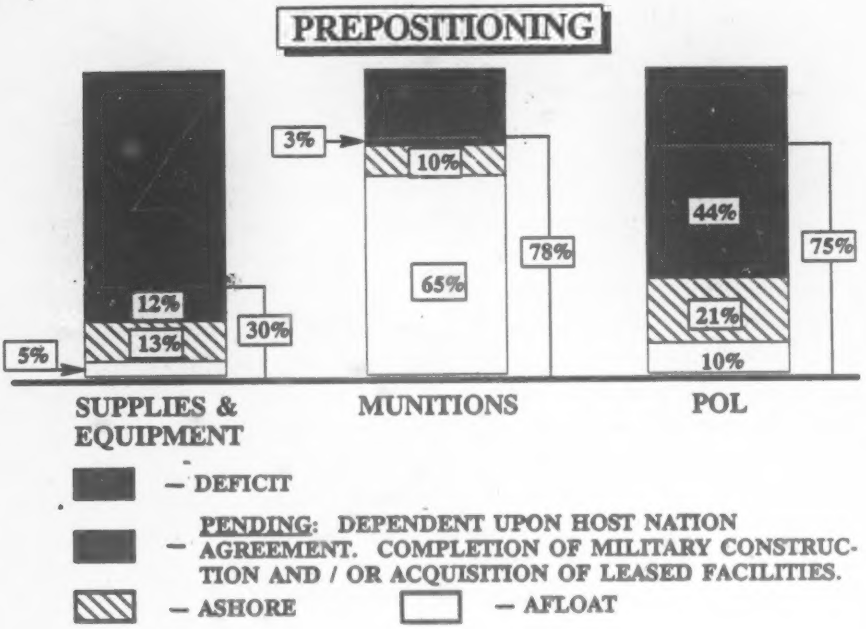
The current SL-7's, Fast Sealift Ships, provide a good start in improving our rapid deployment capability. However, other technologies being developed through Navy R&D programs for fast sealift (e.g., surface-effects-ships) need to be supported if we are to overcome projected deficits in strategic lift as we move toward the 21st century.

## MILCON

With the strong support of Congress, significant progress has been made at reducing critical facility shortfalls. The FY88 program largely completed requirements at Diego Garcia and allowed steady progress at improving our pre-positioning posture in the region. The 1989 program provided funds for two critical projects which support United States Army pre-positioning and staging as well as improvements to United States facilities. The proposed 1990 MILCON Program builds upon the momentum of the past two years with six projects valued at $53M. The goal of the FY90 program is to correct airfield deficiencies (taxiways and aircraft parking aprons) at two strategic locations as well as providing additional warehouses for both the Army and Air Force. The Southwest Asia FY90 program also proposes additional hydrant fueling upgrades at Lajes to further improve this en route support location. With Congressional support in FY90, Central Command will reduce its facility deficit which once stood at $1.4B to about $200M by the end of 1990.

## Pre-Positioning

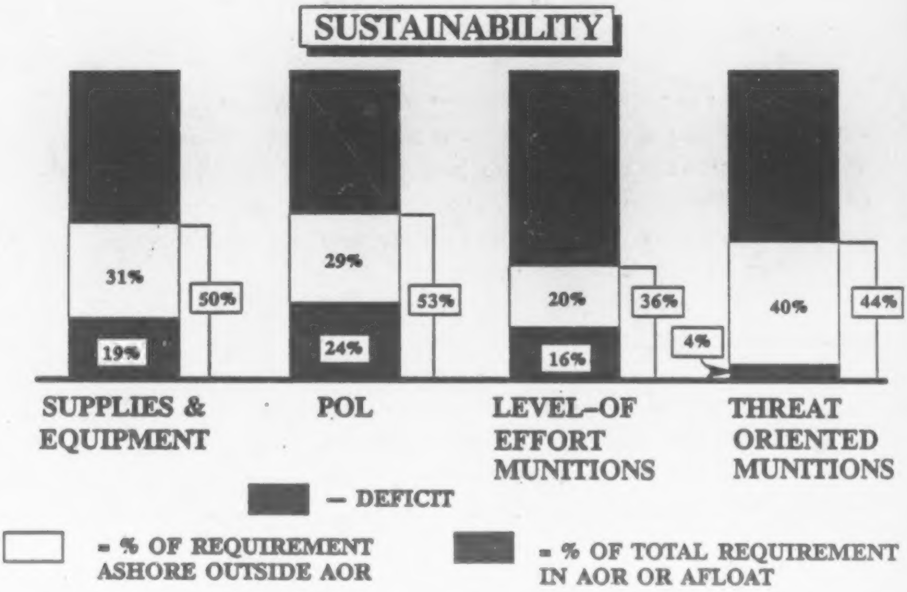
Readiness of United States forces for initial combat depends on theater-prepositioned War Reserve Materiel (WRM). Pre-positioning (PREPO) of WRM enhances the ability to respond during full-scale operations and gives us flexibility to employ forces rapidly. Another important advantage of pre-positioning is that it is also available to support overseas exercises, which considerably reduces operating costs by decreasing airlift and sealift requirements. Shown below is the current PREPO posture.



Current initiatives and previous congressional authorizations should improve Central Command's posture by approximately 1.2 million square feet of storage space, 6,000 short tons of munitions, and 5 million barrels of bulk petroleum.

Sustainability

While pre-positioned stocks meet the deploying forces' immediate need, sustainability is the other essential element of successful force projection - the staying power of a military force once it is deployed. Materiel sustainability is composed of several interdependent elements including assets pre-positioned and those in depot stocks in the United States. Shown below is the current materiel sustainability posture.



Primary shortages include major end items, medical supplies, repair parts, bulk petroleum, preferred munitions, and air-to-air missiles. The proposed budget provides modest gains in munitions. However, equipment shortages continue to be a problem for some support units. The Services need continued funding support to reverse this situation. Particularly critical items include the Air Force and Navy AMRAAM Program and Army modern munitions.

Another aspect of sustainability, Logistics Over the Shore, is the capability to load, offload and transfer equipment and supplies from ship to shore. Currently Central Command has only a 9,800 short ton per day capability against a 21,000 short ton per day goal. The key to a successful Logistics Over the Shore operation program is a Lighter Amphibious-Heavy (LAMP-H) hover craft which can deliver a full range of equipment across the beach. This important program is being supported by the Army and continued funding support is solicited.

Sustaining Central Command forces requires adequate medical facilities and equipment. While the plan is to use available medical facilities to the maximum extent, a 70% bed shortfall still exists which is of major concern and can only be overcome with continued support for the Deployable Medical Systems Program which is funded in the current budget.

## Command and Control

A robust, survivable, theater-wide communications capability is an essential element in the effective command and control (C2) of assigned forces. Consequently, development of a command and control communications infrastructure receives a high priority.

Until recently, the region was uniquely devoid of United States command and control communications. The Defense Communications System essentially stopped at Turkey in the West and at the Philippine Islands in the East. Furthermore, most host nation commercial communications are extremely limited and their viable military systems are just now beginning to come on line.

Due mainly to requirements associated with tanker escort operations in the Gulf, the Command has enjoyed limited success in closing this gap in the Defense Communications System. Minimum essential communications and computer systems have been pre-positioned in an operational status at key locations to support the Commander, Joint Task Force Middle East, Security Assistance

Offices, United States Military Training Missions, and United States Embassies.

Plans are to continue to upgrade assets in the Area of Responsibility and the continental United States. Actual deployment will be gradual and will depend on operational and storage agreements negotiated with the region's host nations. Ideally, equipment will be positioned in storage at preferred locations where communications maintenance and management facilities are planned. Equipment based in the United States will be maintained in an operational status and will be used for training prior to any required deployment.

Since Persian Gulf activities are closely related to friendly regional states, interoperability requirements are not limited to United States forces. A number of secure voice circuits have been established between the United States and friendly nations for immediate threat warning and measured, combined responses. Permission for overflight clearance is obtained through this means as is coordination on other matters of mutual interest and concern.

The Central Command's Command and Control posture has steadily improved throughout the past year. Further, plans and programs are in place to continue the improvement in both near and long term.

## Intelligence

The success of our forces' tanker protection mission in the Persian Gulf over the last year and a half could not have been achieved without the timely collection, analysis, and dissemination of reliable intelligence to the commanders on the scene.

During this period, Central Command deployed and depended on small-scale intelligence systems of limited capability. These were the only systems available to us; despite their usefulness, they failed to fill several critical voids in our intelligence requirements.

With your support, Central Command hopes to put in place an array of full-capability systems that will be able to provide comprehensive intelligence support to Central Command forces in any foreseeable contingency. These will include the Deployable Intelligence Data Handling System (DIDHS), which is to come on line this year, and will boost our ability to analyze and manage the flow of intelligence information from collector to commander. A new imagery-processing system, which we hope to get next year, will slash a remarkable 18 to 24 hours from our response time to imagery intelligence requests.

Coupled with new communications capabilities such as the Portable Receive-Transmit System (PORTS-II) and the Scalable Transportable Intelligence Communications System (STICS), we will be able to move imagery and intelligence data from the photo interpreter to the operational commander in minutes rather than days.

Denial of Soviet intelligence gathering is as important as our own efforts to obtain useable intelligence. The Soviets currently possess the capability to control access to space and to threaten our forces worldwide. We need to establish a program that will counter this uncontested advantage by placing Soviet satellites at risk. I strongly support the anti-satellite (ASAT) program.

Finally, we are exploring the capabilities of newly-developed, reliable, relatively inexpensive Remotely Piloted Vehicles (RPVs), which could give operational commanders immediate, on-scene reconnaissance support.

Intelligence support is an area in which Central Command cannot afford to fall behind. With your backing, the Command will be able to provide its forces with the timely, reliable intelligence they need to operate effectively in any foreseeable contingency.

## SUMMATION

To sum up, let me state Central Command's position as succinctly as I can.

- Because of its oil and critical sea lines of communication, the Central Command Area of Responsibility is vital to the security of the United States and its allies. Increasing Soviet presence and influence in the region constitute a threat to our interests. The best way to counter this threat is by building our regional friends' confidence in our commitment to their security. The United States can do this by maintaining a military presence in the region at a prudent level, by pursuing a comprehensive program of joint/combined military exercises with host nations, and by supporting the legitimate defense needs of our friends in the region through arms sales and meaningful levels of security assistance. Central Command has accomplished much in the past year and a half to prove our commitment. With sustained Congressional support, we will continue to do so.

Chairman NUNN. Thank you very much, General. Admiral.

## STATEMENT OF REAR ADM. RICHARD C. USTICK, U.S. NAVY, CHIEF OF STAFF, U.S. SOUTHERN COMMAND

Admiral USTICK. Thank you, Mr. Chairman. As you noted, I am here on behalf of General Woerner, who sends his most sincere regrets for not being able to come to Washington today. He is on an official visit, as you know, to Argentina which had been previously scheduled.

I would like to start off this morning with some very brief remarks on a few areas critical to Latin America and to U.S. Southern Command. In my written statement, which you made mention of, I spelled out our national security interests in Latin America and stated our military objectives for the region.

I also outlined our regional strategy that attempts to link our military objectives and capabilities. The United States has significant national security interests at stake in Latin America and we require greater resources than are presently made available in order to protect these interests over the long-term.

Importantly, modest increases in our very small levels of current spending can make a significant difference. Nowhere is this more apparent than with our security assistance allocation, which for the current fiscal year totaled only 3 percent of the worldwide total. Security assistance, as you have heard General Schwarzkopf say, is absolutely vital at the lower end of the conflict spectrum where we must use it to gain access with our host country militaries and attempt to professionalize them and to influence their support of the democratic process.

Our International Military Education and Training program, IMET, is a very important component of our efforts to professionalize Latin American personnel.

With our government's recently endorsed bipartisan plan for Central America we have an opportunity to really help Costa Rica, El Salvador, Guatemala and Honduras move Nicaragua towards democracy.

We can hope to work with these countries to achieve our goals of peace, security and democracy in this region and we can do this within the framework of the Esquipulas II peace plan, a plan recognized as legitimate by our allies and for which a Nobel Peace Prize was awarded.

With regard to Nicaragua, we must be careful of actions we take in anticipation of concrete positive movement by the Sandinistas in the direction of democracy or in their termination of support for insurgents. In both of these areas there is a requirement to ensure effective verification mechanisms. The United States can and should assist in this process. At the same time we must continue to pursue a policy which does not subject the Contras to Sandinista retribution.

We must also continue to include Nicaragua in our discussions with the Soviets, for without the massive military and economic support which the Soviets provide, Nicaragua would cease to be an important problem to us.

In El Salvador, I emphasize how far that country has come in a short period of time along the road to democratic development. It has done this at the same time that it has been fighting a war against a violent insurgency.

If the United States stays its course, El Salvador will continue its democratic development. In this sense, it is important that we show the same patience to the Cristiani government that we have shown to President Jose Napoleon Duarte.

In Honduras our presence will increasingly be called into question. This presence and our U.S. military exercise activity is potentially a legitimate bargaining chip for substantive Sandinista demilitarization and democratization. But we must not act prematurely.

We have major stakes in Panama. And we have treaty obligations to turn over the Panama Canal to the Government of Panama in a decade. The normalization of our relationships with Panama must be premised on Noriega's renunciation of power.

In the area of counter drugs, we are still in the transition period as we bring the military role into focus in the international arena.

It is clear that we are under-resourced to do all that is required to monitor and surveil the entry of illegal drugs into the United States. We have also been involved in the training of Latin Americans to fight the drug production and shipment problem in our part of the world. Here, too, we are resource-constrained, and a mission in this particular field means the absence of a mission in some other area.

Importantly, we have begun to see the emergence of a new attitude in Latin America about the drug problem, as the Colombian, Bolivian and Peruvian Governments have increased their efforts against the narco traffickers.

This is an important indicator that the Latin American countries no longer view the drug problem as just a U.S. problem.

In both Central and South America, all our policy initiatives will be colored by the massive problem of Latin American external debt for which a solution must be found.

Last, and in reference to the committee's continuing oversight of the implementation of the Goldwater-Nichols Act, I will tell you that General Woerner is fully satisfied with the progress that has been made to allow equal consideration within the defense budgetary process, and with his increased voice in the area of command and personal authority.

Thank you, Mr. Chairman.

[The prepared statement of Admiral Ustick follows:]

## STATEMENT BY REAR ADMIRAL RICHARD C. USTICK
## CHIEF OF STAFF, U.S. SOUTHERN COMMAND

MR. CHAIRMAN AND DISTINGUISHED MEMBERS OF THE SENATE ARMED SERVICES COMMITTEE, I WELCOME THIS OPPORTUNITY TO SPEAK WITH YOU ABOUT THE KEY ELEMENTS OF OUR LATIN AMERICAN STRATEGY AND OUR DEFENSE AND SECURITY REQUIREMENTS IN THE REGION.

### I. INTRODUCTION

CURRENTLY WE ARE WITNESSING DRAMATIC CHANGES AROUND THE GLOBE WHICH ARE RESHAPING POWER BALANCES AND CALLING FOR NEW WAYS OF DEALING WITH THE COMPLEX CHALLENGES TO OUR NATIONAL SECURITY. THE NEXT FOUR YEARS PROMISE FURTHER ABATEMENT OF THE EAST-WEST CONFLICT, AS OUR LEADERS SEEK TO BRING BETTER BALANCE BETWEEN OUR RESOURCES AND OUR GLOBAL MILITARY STRATEGY.

WE STAND AT A PROPITIOUS MOMENT IN OUR NATION'S RELATIONS WITH LATIN AMERICA: ON MARCH 19TH, WE WITNESSED A DEMOCRATIC REAFFIRMATION BY THE PEOPLE OF EL SALVADOR; JUST RECENTLY THE ADMINISTRATION AND THE CONGRESS REACHED A BIPARTISAN ACCORD FOR THE ACHIEVEMENT OF DEMOCRACY, PEACE, AND SECURITY IN CENTRAL AMERICA; AND NOW, WITH MUCH HOPE, WE AWAIT THE IMPLEMENTATION OF SECRETARY OF THE TREASURY NICHOLAS BRADY'S PLAN FOR ATTACKING THE THIRD WORLD'S DEBT PROBLEM, A LARGE PORTION OF WHICH IS OWNED BY THE NATIONS IN LATIN AMERICA.

TODAY I WANT TO PASS ON MY MESSAGE OF WHERE WE AT U.S. SOUTHERN COMMAND THINK WE SHOULD BE HEADED DURING THE NEXT FEW YEARS. I WILL STRESS THE FULL SPECTRUM OF ACTIVITIES WHICH AFFECT OUR NATIONAL INTERESTS IN LATIN AMERICA, BEGINNING WITH A SUMMARY OF THE MAJOR RESPONSIBILITIES OF THE COMMAND AND ITS RESOURCES.

GENERAL WOERNER, THE COMMANDER IN CHIEF OF THE UNITED STATES SOUTHERN COMMAND, IS RESPONSIBLE FOR U.S. MILITARY ACTIVITIES IN

LATIN AMERICA TO INCLUDE CENTRAL AMERICA, PANAMA, AND SOUTH AMERICA BUT NOT MEXICO AND NOT THE INSULAR CARIBBEAN. THE MISSION OF SOUTHERN COMMAND IS TO PROTECT THE SOUTHERN FLANK OF THE UNITED STATES AND THE PANAMA CANAL BY ACTIVE SUPPORT OF U.S. GOVERNMENT POLICY IN THE REGION. OUR AREA OF RESPONSIBILITY COVERS SOME 22% OF THE WORLD LANDMASS ASSIGNED TO REGIONAL CINCs, AND WE OPERATE ON A BUDGET THAT REPRESENTS SUBSTANTIALLY LESS THAN ONE PERCENT OF THE DEPARTMENT OF DEFENSE TOTAL.

THE COMMAND CONSISTS OF A SMALL, FORWARD-DEPLOYED FORCE, WHICH IS MADE UP OF A COMBAT BRIGADE, SPECIAL FORCES BATTALION, SPECIAL BOAT UNIT, NAVAL SPECIAL WARFARE UNIT, AND A TACTICAL AIR SQUADRON, WITH SUPPORT AND HEADQUARTERS ELEMENTS. THIS FORCE NUMBERS APPROXIMATELY 10,000 PERSONNEL IN PANAMA. WE ALSO HAVE 96 PEOPLE STATIONED IN 16 MILITARY GROUPS (MILGROUPS) IN CENTRAL AND SOUTH AMERICA. IN ADDITION, THERE ARE 55 TRAINERS IN EL SALVADOR AND ABOUT 1200 MILITARY PERSONNEL TEMPORARILY STATIONED IN HONDURAS WHO BASICALLY SUPPORT OUR EXERCISE ACTIVITY IN THAT COUNTRY. BY WAY OF COMPARISON, THESE NUMBERS TOTAL A LITTLE OVER ONE-HALF PERCENT OF ALL DEPARTMENT OF DEFENSE ACTIVE DUTY MILITARY PERSONNEL.

THE COMMAND'S FOCUS IS BOTH REGIONAL AND COUNTRY SPECIFIC. REGIONALLY, THE STRATEGY IS TO EMPLOY FORCES TO SUPPORT U.S. GOVERNMENT GOALS OF DEMOCRACY AND DEVELOPMENT. OUR PEOPLE WORK TO IDENTIFY AND PRIORITIZE APPROPRIATE ACTIVITIES IN COORDINATION WITH THE OFFICE OF THE SECRETARY OF DEFENSE, THE JOINT STAFF, U.S. COUNTRY TEAMS, AND WITH HOST COUNTRY GOVERNMENTS. WITH REGARD TO THE HOST COUNTRIES, THE MAJOR THRUST OF OUR EFFORT IS TO HELP LATIN AMERICAN MILITARY PERSONNEL BECOME MORE TECHNICALLY PROFICIENT AND MORE SUPPORTIVE OF THEIR LEGITIMATELY ELECTED DEMOCRATIC LEADERS.

ON THE COUNTRY LEVEL, WE COORDINATE A TAILORED STRATEGY WITH THE U.S. AMBASSADOR, AND WE DEPEND ON CLOSE COOPERATION WITH THE VARIOUS MEMBERS OF THE COUNTRY TEAM TO IMPLEMENT OUR MILITARY AND

COUNTER-DRUG INITIATIVES. EXCEPTIONS TO THIS ARE NICARAGUA, SURINAME AND FRENCH GUYANA WHERE WE HAVE NO ONGOING ACTIVITIES.

THE NATURE OF OUR THEATER IS VERY DIFFERENT FROM THOSE OF THE OTHER UNIFIED COMMANDERS. THE PREVAILING ENVIRONMENT IN THE U.S. SOUTHERN COMMAND AREA OF RESPONSIBILITY IS ONE OF UNDER-DEVELOPMENT. THE THREAT MOST OFTEN FACED IS COMMONLY REFERRED TO AS LOW INTENSITY CONFLICT BUT WHICH SHOULD MORE APTLY BE TITLED HIGH PROBABILITY CONFLICT. IN THIS TYPE OF CONFLICT, THE POLITICAL, ECONOMIC, AND SOCIAL DIMENSIONS OF THE PROBLEM ARE AS IMPORTANT AS, AND OFTEN MORE IMPORTANT THAN, THE MILITARY. THERE IS A SIGNIFICANT CONVENTIONAL FORCE MILITARY DIMENSION TO OUR MILITARY DUTIES--PARTICULARLY FROM THE PERSPECTIVE OF THE HOST COUNTRY LEADERS AS THEY VIEW THEIR HISTORICAL THREATS; HOWEVER, A LARGE PART OF THE PROBLEM WITH WHICH WE DEAL IS NON-CONVENTIONAL, ON THE LOW END OF THE CONFLICT SPECTRUM.

THROUGHOUT LATIN AMERICA, THE TRIPLE ILLS OF INSURGENCY, ILLICIT DRUGS, AND TERROR FIND THEIR WELLSPRING OF SUPPORT IN SOCIAL DISCONTENT, ECONOMIC FRUSTRATION, AND POLITICAL DISENFRANCHISEMENT. THE ENEMIES OF DEMOCRACY ARE EVER EAGER TO EXPLOIT THESE PROBLEMS. FOR THE NON-IDEOLOGUE, THE DECISION TO TAKE UP ARMS AGAINST HIS GOVERNMENT IS USUALLY ONLY TAKEN AFTER THE ACCUMULATION OF MUCH PESSIMISTIC EVIDENCE. THIS MEANS THAT GAINING THE CONFIDENCE AND WINNING THE SUPPORT OF THESE DISAFFECTED CITIZENS BECOMES A MAJOR TASK FOR THE GOVERNMENT. GIVEN THESE DIMENSIONS, THE INDICES WHICH WE MONITOR ARE QUITE DIFFERENT FROM THOSE USED IN THE TRADITIONAL MILITARY SENSE.

## II. THE MEASURE OF OUR NATIONAL INTERESTS

FROM OUR PERSPECTIVE, THERE IS AN URGENT NEED TO BRING OUR STRATEGY IN BALANCE WITH OUR NATIONAL INTERESTS IN LATIN AMERICA. A FRIENDLY LATIN AMERICA CONTRIBUTES TO OUR NATIONAL DEFENSE BY ALLOWING US TO MAINTAIN A NATIONAL SECURITY STRATEGY OF GLOBAL REACH. A SECURE AND PROSPEROUS HEMISPHERE INCREASES OUR

CAPABILITY TO PROJECT POWER AND INFLUENCE AROUND THE GLOBE. A FRIENDLY LATIN AMERICA, PARTICULARLY DURING A WORLD-WIDE CONFLICT, ALLOWS US TO CONCENTRATE OUR SCARCE RESOURCES TO COUNTER THE MOST SEVERE MILITARY THREAT. AN UNFRIENDLY SOUTHERN FLANK ON THE OTHER HAND WOULD COMPETE FOR THESE RESOURCES AT A MOST CRITICAL TIME. ADDITIONALLY, AN ECONOMICALLY PROSTRATE AND POLITICALLY WEAK LATIN AMERICA PROVIDES A RICH TARGET FOR OUR ADVERSARIES TO EXPLOIT. A DIRECT THREAT IN THIS HEMISPHERE MEANS THE UNITED STATES WOULD HAVE TO READJUST ITS WORLDWIDE COMMITMENTS -- PERHAPS SIGNIFICANTLY.

FOR REASONS OF GEOGRAPHIC PROXIMITY AND THE DEEP TIES OF KINSHIP, CULTURE, AND ECONOMICS, EVENTS IN LATIN AMERICA RESONATE DEEPLY IN THE UNITED STATES, AND VICE VERSA. THIS IS ESPECIALLY TRUE IN THE BURGEONING ILLEGAL DRUG TRAFFIC INTO THE UNITED STATES, TWO-THIRDS OF WHICH (100% OF THE COCAINE) COMES FROM LATIN AMERICA. AS DRUGS UNDERMINE OUR SOCIETY, THEY FUNDAMENTALLY THREATEN THE MORAL AND INSTITUTIONAL BASES OF LATIN AMERICAN DEMOCRACY. WE ALSO SEE INSIDIOUS TACTICAL ALLIANCES BETWEEN NARCOTRAFFICKERS AND INSURGENTS, EVEN THOUGH THEY SOMETIMES WORK AT CROSS-PURPOSES. GUERRILLAS SELL PROTECTION TO NARCOTRAFFICKERS AND USE THE FUNDS TO BUY MILITARY EQUIPMENT. VAST QUANTITIES OF DRUG MONEY ARE USED TO BUY INTELLIGENCE, SUBORN GOVERNMENTS, CORRUPT MILITARY AND POLICE FORCES, AND INTIMIDATE JUDGES. THREATENED IS THE VERY INTERNATIONAL ORDER WHICH SUSTAINS THE DEMOCRATIC COMMUNITY OF NATIONS.

--ECONOMIC WELL-BEING. NOWHERE IS U.S.-LATIN AMERICAN INTERDEPENDENCE MORE KEENLY FELT THAN IN THE ECONOMIC WELL-BEING OF BOTH NORTH AND SOUTH IN THIS HEMISPHERE. THE U.S. DEPENDS UPON LATIN AMERICA ECONOMICALLY IN MANY WAYS. FOR EXAMPLE, STRATEGIC RAW MATERIALS SUCH AS ANTIMONY, MANGANESE, AND TIN; 96% OF OUR BAUXITE; AND 40% OF OUR PETROLEUM COME FROM LATIN AMERICA. OUR TRADE WITH LATIN AMERICA THIS DECADE HAS BEEN AS FOLLOWS:

| | EXPORTS (MILLION) | IMPORTS (MILLION) |
|---|---|---|
| 1980 | $38,718 | $38,713 |
| 1985 | 31,019 | 49,096 |
| 1988 | 37,256 | 48,167 |

OUR EXPORTS TO LATIN AMERICA ARE APPROXIMATELY HALF OF THE TOTAL TO WESTERN EUROPE, AND ABOUT 40% OF THOSE TO THE ENTIRE DEVELOPING WORLD. IMPORTS FROM LATIN AMERICA EQUAL ALMOST TWO-FIFTHS OF THE TOTAL FROM WESTERN EUROPE, AND ONE-THIRD OF THOSE FROM THE DEVELOPING COUNTRIES. TOTAL U.S. EXPORTS WORLD-WIDE FOR 1988 ARE ESTIMATED TO BE $508 BILLION AND IMPORTS $597 BILLION.

THESE FIGURES DO NOT TELL THE ENTIRE STORY. AMERICAN BUSINESS HAS LOST OVER $75 BILLION DOLLARS IN POTENTIAL EXPORT TRADE SINCE LATIN AMERICA'S RECESSION BEGAN IN 1981. AS MANY AS ONE MILLION AMERICAN JOBS MAY HAVE BEEN LOST AS A RESULT. MOREOVER, WERE THE REGION ABLE TO SET ITS ECONOMIC HOUSE IN ORDER AND RESUME SUSTAINED GROWTH, AMERICAN BUSINESS COULD BE LOOKING AT AN INCREASINGLY PROSPEROUS MARKET OF 550 MILLION PEOPLE AT THE TURN OF THE NEXT CENTURY.

MANY LATIN AMERICAN NATIONS TODAY, SUCH AS BRAZIL, ARGENTINA, CHILE, AND MEXICO, ARE IN THE FOREFRONT OF TECHNOLOGICAL ADVANCEMENT. THEY PRODUCE AN ARRAY OF SOPHISTICATED ITEMS, RANGING FROM ELECTRONICS TO COMPUTERS, AIRCRAFT, NUCLEAR POWER, AND MILITARY EQUIPMENT. AND IN THE CASES OF CHILE, ARGENTINA, AND BRAZIL WE SEE THE EXPORT OF ADVANCED MILITARY TECHNOLOGY.

FIGURES FROM OUR DEPARTMENT OF STATE LAST YEAR SHOWED BRAZIL AS THE EIGHTH LARGEST INDUSTRIAL ECONOMY IN THE WORLD AMONG THE FREE-MARKET ECONOMIES. PERU RECENTLY INAUGURATED ITS FIRST NUCLEAR REACTOR, THE RESULT OF A SOUTH-SOUTH TECHNOLOGY ASSISTANCE PROGRAM WITH ARGENTINA, ITSELF A LEADER IN THE THIRD WORLD ON NUCLEAR POWER.

--DEMOCRACY. OUR CONCERNS FOR DEFENSE, FOR ECONOMIC WELL-BEING, AND FOR AN INTERNATIONAL ORDER FREE OF COERCION ARE

DIRECTLY LINKED TO OUR SUPPORT FOR DEMOCRACY IN THE HEMISPHERE. IN 1976, AUTHORITARIAN MILITARY GOVERNMENT WAS THE RULE IN MOST LATIN AMERICAN COUNTRIES. FREELY ELECTED CIVILIAN GOVERNMENTS HAVE REPLACED MILITARY RULE IN ALL COUNTRIES WHERE IT EXISTED EXCEPT CHILE, PANAMA, NICARAGUA, AND PARAGUAY--EACH OF WHICH HAVE SCHEDULED ELECTIONS WITHIN A YEAR. THIS REMARKABLE SHIFT TO CIVILIAN DEMOCRATIC GOVERNMENTS IS A STRATEGIC BREAKTHROUGH FOR THE UNITED STATES, BECAUSE DEMOCRATIZATION IS THE BEST DEFENSE AGAINST OUR ADVERSARIES. I BELIEVE THAT SOCIETIES THAT FULLY ENGAGE THE CREATIVE CAPACITY OF THEIR CITIZENS AND HOLD THE GOVERNORS ACCOUNTABLE TO THE GOVERNED CONTRIBUTE MORE TO THEIR OWN AND TO OUR NATIONAL SECURITY THAN DO AUTHORITARIAN GOVERNMENTS, WHOSE PREVIOUS CLAIM TO LEGITIMACY WAS BASED ON SHORT TERM SECURITY AND THEIR ANTICOMMUNISM.

NOT ONLY IS DEMOCRACY A BULWARK AGAINST TOTALITARIAN DOCTRINES. IT IS ALSO A MARVELOUS SYSTEM FOR EXPANDING THE COMMUNITY OF VALUES AND FOR NURTURING MAXIMUM COOPERATION AND ECONOMIC TRADE AMONG THE SOCIETIES OF THE HEMISPHERE. DEMOCRACIES PROVIDE MECHANISMS FOR THE RESOLUTION OF CONFLICT. UNFORTUNATELY, POLITICAL DEMOCRACY FACES A PERILOUS FUTURE IN LATIN AMERICA BECAUSE IT IS NOW ASSOCIATED WITH ECONOMIC DEPRESSION. WE NEED TO WORK TOGETHER TO RESTORE CONFIDENCE IN DEMOCRACY.

--ILLEGAL IMMIGRATION. IT IS ESTIMATED THAT BETWEEN 1982 AND 1988 WELL OVER 10 MILLION PEOPLE ENTERED THE USA LEGALLY AND ILLEGALLY. MOST OF THE RECENT IMMIGRANTS WERE FROM CENTRAL AMERICA AND ASIA. AS GENERAL PAUL GORMAN AND THE COMMISSION ON INTEGRATED LONG-TERM STRATEGY POINTED OUT LAST YEAR IN THEIR DRAFT PUBLICATION ON SECURITY ASSISTANCE, THIS IS THREE TIMES AS MANY IMMIGRANTS AS ENTERED THE USA DURING THE ENTIRE 40-YEAR PERIOD BETWEEN 1925 AND 1965.

THE ILLEGAL DIMENSION OF THE IMMIGRATION PHENOMENON IS LARGE. BETWEEN 1951 AND 1988 THE IMMIGRATION AND NATURALIZAITON SERVICE

(INS) APPREHENDED OVER 22 MILLION ILLEGAL ALIENS OF WHICH MORE THAN 70% WERE FROM MEXICO AND CENTRAL AMERICA. WE CAN ONLY GUESS THE NUMBER OF ILLEGAL ALIENS WHO WERE NOT DETECTED. ONE OTHER SET OF RECENT FIGURES SHOWS THAT 50% OF THE ANNUAL POPULATION GROWTH IN THE USA IS THE RESULT OF ILLEGAL ALIENS. THE TENUOUS SITUATION IN CENTRAL AMERICA CREATES THE POTENTIAL FOR THE CONTINUED EXODUS OF LARGE NUMBERS OF NICARAGUANS, SALVADORANS, AND GUATEMALANS TO THE UNITED STATES. WHEN COUPLED WITH THE WELL-DOCUMENTED, LARGE FLOW OF ILLEGAL ALIENS FROM MEXICO, THE POLICY DILEMMA GROWS. THE CORRECT U.S. GOVERNMENT POLICY RESPONSE, HOWEVER, NEEDS TO BE OUTWARD-LOOKING, NOT INWARD. THAT IS, WE NEED TO RECOGNIZE THAT THE PROBLEM IS NOT SO MUCH ONE OF U.S. IMMIGRATION AS IT IS ONE OF LATIN EMIGRATION. ESPECIALLY BECUASE OF THE OPEN NATURE OF OUR U.S. SOCIETY, ATTACKING THE CAUSES OF UNDERDEVELOPMENT OFFERS THE BEST PROSPECTS OF SUCCESS. THE PRESSURES OF POVERTY, LAWLESSNESS, AND VIOLENCE ARE WHAT PRODUCE LATIN EMIGRATION. THESE ARE THE ILLS WHICH U.S. GOVERNMENT POLICY SHOULD ADDRESS FOREMOST.

## III. MAJOR EVENTS OF 1988/1989

AGAINST THE BACKDROP PRESENTED ABOVE, I WOULD LIKE TO GIVE YOU A FLAVOR OF SOME OF THE ACTIVITY WHICH WE HAVE EXPERIENCED IN LATIN AMERICA OVER THE LAST 12 - 15 MONTHS. LET ME FIRST ADDRESS SOME OF THE MORE POSITIVE DEVELOPMENTS.

--ELECTIONS. AN HONEST AND COMPETITIVE ELECTORAL PROCESS LAYS THE BASIS FOR POLITICAL DEVELOPMENT. FREE ELECTIONS WERE CONDUCTED IN ECUADOR WHERE A NEW PRESIDENT WAS CHOSEN; IN EL SALVADOR A NEW LEGISLATURE AND A FULL SLATE OF NEW MAYORS WERE ELECTED IN 1988 AND WE JUST WITNESSED THE CONCLUSION OF AN OPEN AND FAIR DEMOCRATIC ELECTION FOR PRESIDENT. VENEZUELA INSTALLED A NEW PRESIDENT WHO IS AN ARDENT SUPPORTER OF DEMOCRACY. AND IN BRAZIL, MAYORS WERE ELECTED LAST FALL IN 24 STATE-CAPITAL

MUNICIPALITIES. A REVIEW OF UPCOMING PRESIDENTAL/PRIME MINISTERIAL ELECTIONS ELSEWHERE IN LATIN AMERICA SHOWS NINE ELECTIONS SCHEDULED BEFORE THE END OF 1989 (ARGENTINA, BRAZIL, BELIZE, BOLIVIA, CHILE, HONDURAS, PANAMA, PARAGUAY, AND URUGUAY) AND FOUR MORE SCHEDULED IN THE EARLY MONTHS OF 1990 (COLOMBIA, COSTA RICA, NICARAGUA, AND PERU). A GLIMMER OF HOPE EXISTS WITH THE FORTHCOMING ELECTIONS IN PANAMA AND NICARAGUA WHERE THE DEMOCRATIC FORCES NEED THE SUPPORT AND ENCOURAGEMENT OF ALL WESTERN DEMOCRACIES AND JAPAN. IMPARTIAL ELECTION OBSERVERS WILL BE CRITICAL FOR THESE TWO COUNTRIES.

--EL SALVADOR. U.S. GOVERNMENT-SUPPORTED EFFORTS SHOWED CONTINUED PROGRESS IN THIS SMALL, WAR-TORN COUNTRY. NOTWITHSTANDING THE APPEARANCE OF SOME CRITICAL REVIEWS IN THE U.S. MEDIA AND THE ESCALATION OF VIOLENCE BY THE FMLN, SALVADORANS AGAIN DEMONSTRATED CONVINCINGLY THEIR DESIRE FOR DEMOCRACY AT THE MARCH 19, 1989 ELECTIONS. SINCE THE MUNICIPAL ELECTIONS OF MARCH 1988, THE GUERRILLA INSURGENTS HAVE ASSASSINATED TEN NEWLY ELECTED MAYORS AND INTIMIDATED 83 MORE TO RESIGN. THIS MEANS OVER 35% OF THE FREELY ELECTED MUNICIPAL LEADERS HAVE BEEN EITHER KILLED OR DRIVEN FROM OFFICE BY THE FMLN IN ONE YEAR'S TIME. WHILE THE HEINOUS CRIMES OF THE FMLN ARE AN EFFECTIVE MEANS OF INTIMIDATION, THE INSURGENTS RISK ALIENATION FROM THE PEASANT-BASED ELECTORATE WHICH BROUGHT THESE LOCAL LEADERS TO OFFICE. UNDER NEW LEADERSHIP INSTALLED TOWARD YEAR'S END, THE ARMED FORCES SHOWED GREATER AGGRESSIVENESS AND MAY BE ABLE TO BETTER SUPPORT THE GOVERNMENT'S EFFORTS TO SEPARATE THE FMLN FROM ITS SUPPORT BASES.

IN ADDITION TO THE MURDERS OF THE MAYORS, WE HAVE SEEN INCIDENTS OF RANDOM FMLN URBAN TERROR, WITH INCREASED BOMBINGS IN SAN SALVADOR AND A 'DIPLOMATIC' CAMPAIGN CLEARLY INTENDED TO DISCREDIT THE NEWLY-ELECTED ARENA GOVERNMENT IN THE EYES OF WASHINGTON DECISION MAKERS.

ON BALANCE, IT IS IMPORTANT TO NOTE HOW FAR WE HAVE COME IN EL SALVADOR. NO LONGER DO THE INSURGENTS OPERATE WITH IMPUNITY IN

BATTALION-SIZE FORMATIONS AS THEY DID AT THE BEGINNING OF THIS DECADE. NOW, AS A MATTER OF SURVIVAL, FMLN OPERATIONS ARE PRINCIPALLY SQUAD-SIZE OR SMALLER. THE MILITARY SUPPORTS ITS DEMOCRATICALLY ELECTED LEADERS, AND ALTHOUGH ALLEGED DEATH SQUAD ACTIVITY HAS SHOWN RECENT SIGNS OF RESURGENCE, HUMAN RIGHTS ABUSES ARE ABERRATIONS TO THE PATTERN--NOT PER SE INDICATORS OF DEEP-SEATED EVIL. OUR POLICY HAS HELPED ACHIEVE IMPRESSIVE RESULTS IN NINE YEARS. THEY ARE: THE TRANSITION OF POWER FROM THE WESTERN HEMISPHERE'S OLDEST MILITARY DICTATORSHIP TO CIVILIAN AUTHORITY; DRASTIC DECLINE IN HUMAN RIGHTS VIOLATIONS BY GOVERNMENT TROOPS AND THE RECALCITRANT RIGHT; SIX ELECTIONS OPENLY AND HONESTLY CONTESTED; THE FIRST PEACEFUL TRANSFER OF PRESIDENTIAL POWER FROM ONE CIVILIAN ELECTED OFFICIAL TO ANOTHER; EXTENSIVE AGRARIAN REFORM UNDER DIFFICULT WARTIME CONDITIONS; AND THE EXPANSION AND PROFESSIONALIZATION OF AN ARMY THAT WAS ONCE THOUGHT TO BE NO MATCH FOR THE GUERRILLA "FINAL OFFENSIVE". A CRIPPLING EARTHQUAKE IN 1986 MAKE THESE ACHIEVEMENTS EVEN MORE REMARKABLE.

--CHILE. IN CHILE DURING THE OCTOBER PLEBISCITE, THE DEMOCRATIC OPPOSITION FORCES COALESCED AS THE GOVERNMENT OF CHILE HONORED ITS PROMISE AND PERMITTED SUFFICIENT POLITICAL FREEDOM TO ALLOW FOR A STRONG REJECTION OF GENERAL AUGUSTO PINOCHET'S CONTINUANCE IN POWER. MOST RECENTLY, WE SEE STRONG EVIDENCE THAT THE GOVERNMENT IS WILLING TO CONSIDER CHANGES TO CHILE'S CONSTITUTION THAT WILL BENEFIT DEMOCRACY. THE RESTORATION OF CIVILIAN GOVERNMENT AWAITS THE DECEMBER 1989 ELECTIONS. CHILE'S RETURN TO THE COMMUNITY OF DEMOCRATIC NATIONS WILL MAKE AN IMMENSE CONTRIBUTION TO DEMOCRATIC SOLIDARITY IN THE HEMISPHERE.

--PARAGUAY. THE FEBRUARY 1989 COUP AGAINST GENERAL ALFREDO STROESSNER AND THE PROMISE OF DEMOCRATIC PRESIDENTIAL ELECTIONS IN MAY, OFFER HOPE THAT THE DEMOCRATIC PROCESS WILL EMERGE IN PARAGUAY AFTER 34 YEARS OF TIGHT-FISTED RULE.

--DRUGS. ALTHOUGH THE SITUATION REMAINS DARK, WE HAVE SEEN

FORWARD MOVEMENT. THIS PAST YEAR'S ANTI-NARCOTICS EFFORTS BY THE DEMOCRACIES IN THE ANDEAN RIDGE, AND THE GREATER ACKNOWLEDGMENT OF MUTUAL RESPONSIBILITY FOR THE PROBLEM BOTH BY THE U.S. GOVERNMENT AND LATIN NATIONS, ARE POSITIVE DEVELOPMENTS FOR SIGNIFICANTLY HEIGHTENED PRESSURE ON NARCOTRAFFICKERS. WITHIN THE LAST 60 DAYS, SIGNIFICANT ACTION BY THE GOVERNMENTS OF BOLIVIA, COLOMBIA, AND PERU RESULTED IN THE DESTRUCTION OF NUMEROUS DRUG LABORATORIES, PRECURSOR CHEMICAL STOCKS, AND SIEZURE OF VAST QUANTITIES OF COCAINE PASTE AND THE REFINED PRODUCT.

--DEMOCRACY. GUATEMALA, PERU, ECUADOR, AND ARGENTINA ALL SUFFERED THREATS OF COUPS D'ETAT OF VARYING SERIOUSNESS. HOWEVER, NONE OF THESE THREATS ENJOYED WIDESPREAD SUPPORT AMONG MOST INFLUENTIAL SECTORS OF SOCIETY. PREDICTABLY, GIVEN THESE CONDITIONS, NONE WAS SUCCESSFUL.THERE WERE NEGATIVE DEVELOPMENTS WITHIN THE REGION AS WELL.

--DEBT. THERE WAS AN INCREASED LATIN RECOGNITION OF THE NEED TO WORK THE DEBT PROBLEM DURING THE LAST YEAR. THIS CONTRIBUTED TO HEIGHTENED STABILITY IN THE INTERNATIONAL BANKING AND ECONOMIC SYSTEM. THIS ALSO HELPED US AVOID ANY MAJOR, DEBT-RELATED ECONOMIC CATASTROPHE IN LATIN AMERICA DESPITE THE STILL GROWING REGIONAL DEBT TOTAL OF $440 BILLION AND ANNUAL SERVICE PAYMENTS OF IN EXCCESS $25 BILLION. THE PLAN UNVEILED BY SECRETARY OF THE TREASURY BRADY OFFERS A PROPITIOUS SIGNAL FROM THE U.S. FOR RESOLUTION OF THIS ISSUE. NEVERTHELESS, MAKE NO MISTAKE: FOREIGN DEBT IS AN IMMEDIATE AND POTENTIALLY DEVASTATING PROBLEM FOR LATIN AMERICA, WITH A TRIP-WIRE ACTIVATOR, AND WORLD-WIDE IMPLICATIONS. THE UNEXPECTED SOCIAL VIOLENCE IN VENEZUELA IN FEBRUARY 1989 WHICH RESULTED IN ABOUT 300 DEATHS AND OVER 1000 INJURED IS A GRAPHIC EXAMPLE OF THE EXPLOSIVE REPERCUSSIONS WHICH MAY AWAIT GOVERNMENT AUSTERITY PROGRAMS ENGENDERED BY FOREIGN DEBT PROBLEMS. CLEARLY, WE MUST ACT QUICKLY TO IMPLEMENT THE BRADY PLAN AND THEREBY RESTORE CONFIDENCE IN A MORE EQUITABLE FUTURE AS THE BASIS FOR RENEWED ECONOMIC GROWTH.

--PANAMA. NORIEGA WAS INDICTED IN U.S. COURTS AND FIRED BY PRESIDENT ERIC DELVALLE, WHILE THE BANKS CLOSED AND THE ECONOMY WENT INTO A FREE FALL. YET EVEN IN THE FACE OF A COUP ATTEMPT BY SOME OF HIS OFFICERS, NORIEGA SURVIVED. DESPITE SIGNIFICANT PRE-ELECTION GAINS BY THE OPPOSITION, HE APPEARS READY TO MANIPULATE THE MAY 1989 PRESIDENTIAL ELECTION IN ORDER TO CONTINUE IN POWER.

--CENTRAL AMERICA. THE FAILURE TO APPROVE LETHAL AID FOR THE MEMBERS OF THE NICARAGUAN RESISTANCE (CONTRAS) IN FEBRUARY 1988 SERIOUSLY WEAKENED THEIR NEGOTIATING POSTURE WITH THE SANDINISTAS. THROUGH ALL OF THE UPS AND DOWNS OF THE LAST YEAR, IT IS IMPRESSIVE THAT THE RESISTANCE ENDURED AND MAINTAINED UNIT COHESION AND A LEVEL OF MILITARY EFFECTIVENESS. BECAUSE THEY SURVIVED, THEY ARE NOW IN A POSITION TO BENEFIT FROM THE PROVISIONS OF THE BUSH ADMINISTRATION'S BIPARTISAN ENDORSED PLAN FOR CONTINUED HUMANITARIAN AID THROUGH FEBRUARY 1990. THEY ARE ALSO AN IMPORTANT ELEMENT OF THE INCENTIVES/DISINCENTIVES APPROACH WE ARE CURRENTLY PURSUING WITH THE SANDINISTA REGIME.

--RADICALIZATION OF ELECTORATES. IN THE FACE OF ECONOMIC DEPRESSION, DEMOCRACY IN LATIN AMERICA HAS BEGUN TO SHOW SIGNS OF RADICALIZATION THIS PAST YEAR TO EITHER THE FAR RIGHT OR THE FAR LEFT.

--INSURGENCY AND NARCOTRAFFICKING. OVERALL WE HAVE SEEN THE SOCIAL DYNAMICS OF THE DRUG PROCESS PRODUCE FEUDAL-LIKE RELATIONS: THE NARCOTRAFFICKER ASSUMES THE POSITION OF MANORIAL LORD IN COCA-GROWING REGIONS AND IT IS HE, NOT THE CENTRAL GOVERNMENT, WHO DISPENSES SOCIAL SERVICES AND PROTECTION TO THE PEASANT COMMUNITY. TO RAISE FUNDS FOR HIS CAUSE, THE INSURGENT OPERATES FOR HIRE TO PROTECT THE DRUG LORD'S ILLICIT COMMERCE.

--PERU. THE SENDERO LUMINOSO RESORTED TO INCREASING VIOLENCE NATIONWIDE, WITH EMPHASIS ON THE COCA-GROWING UPPER HUALLAGA VALLEY. INFLATION ROCKETED TO WELL OVER 1700% WHILE THE ECONOMY SPIRALLED DOWNWARD. DEMOCRACY FACES ITS GREATEST CHALLENGE IN

PERU.

--COLOMBIA. KIDNAPPINGS, SOARING VIOLENT CRIME, INTIMIDATION BY NARCOTRAFFICKERS, AMBUSHES OF GOVERNMENT TROOPS, AND INSURGENT ADVANCES INCREASINGLY THREATENED TO PLUNGE THE OLDEST LATIN AMERICAN DEMOCRACY INTO ANARCHY. TO THEIR CREDIT, THE GOVERNMENT OF COLOMBIA AND THE SECURITY FORCES ARE INCREASINGLY COMMITTED TO THE WAR AGAINST THE TRAFFICKERS AND THE INSURGENTS.

--ARGENTINA, BRAZIL, VENEZUELA AND URUGUAY. AS PRESSURES AGAINST THE NARCOTRAFFICKERS MOUNTED IN THE SOURCE COUNTRIES, NEW COUNTRIES FOUND THEIR TERRITORY VIOLATED AS THE ILLICIT DRUG TRADERS SEARCHED FOR LESS-RISKY BASES OF PRODUCTION AND TRANSSHIPMENT TO THE U.S. AND TO WESTERN EUROPE.

--CUBA. WITH CUBA'S ECONOMY IN DISASTER AND TOTALITARIANISM STIFLING AS EVER, WE SAW STRONG MOVES BY CASTRO IN THE DIRECTION OF STATESMANSHIP. LAST SUMMER HE ONCE AGAIN MADE A MAJOR ENTRANCE ON THE LATIN SCENE DURING THE ECUADOR INAUGURATION OF PRESIDENT RODRIGO BORJA. HE BUILT ON THAT OPENING WHEN HE RETURNED FOR THE FIRST TIME IN 32 YEARS TO MEXICO, THE PLACE FROM WHICH HE LAUNCHED HIS REVOLUTION, TO PARTICIPATE IN PRESIDENT CARLOS SALINAS DE GORTARI'S INAUGURATION ON 1 DECEMBER. HIS LATEST APPEARANCE WAS IN CARACAS FOR THE INAUGURATION OF CARLOS ANDRES PEREZ IN FEBRUARY. THESE VISITS DEMONSTRATE A TACTICAL ADJUSTMENT IN CUBAN POLICY.

AT THE SAME TIME, CASTRO'S CONTINUED CALLS TO THE GROUP-OF-EIGHT COUNTRIES FOR A BOYCOTT OF INTERNATIONAL DEBT PAYMENTS DEMONSTRATE HIS ENDURING RADICAL ANTI-U.S. PHILOSOPHY. ONE OF THE POLICY CHALLENGES FOR THE U.S. WILL BE HOW TO DEAL (IF AT ALL) WITH A CASTRO WHO IS PERCEIVED AS MORE LEGITIMATE IN THE EYES OF CONTEMPORARY LATIN AMERICA AND WHO HAS BEEN ABLE TO RE-INTEGRATE HIMSELF INTO THE REGION. HE MAY WELL ACCOMPLISH THIS GOAL DESPITE CUBA'S APPALLING HUMAN RIGHTS RECORD AND NOTWITHSTANDING CUBA'S APPARENT REJECTION OF THE MODERATING INFLUENCES OF PERESTROIKA. THE SIMPLE TRUTH IS CASTRO HAS NOT ALTERED HIS FUNDAMENTAL MARXIST-LENINIST REVOLUTIONARY PHILOSOPHY

AND INTERVENTIONIST STRATEGY IN LATIN AMERICA.

--PERESTROIKA AND LATIN AMERICA. LESS VIOLENT SOVIET BEHAVIOR IN THE THIRD WORLD, COMBINED WITH THE BANKRUPTCY OF SOCIALIST DOCTRINES FOR ECONOMIC DEVELOPMENT, CREATE RISKS AND OPPORTUNITIES FOR THE UNITED STATES IN LATIN AMERICA. NEEDED IS A CLEAR RECOGNITION BY U.S. AND LATIN LEADERS THAT THE SOVIET EXPANSIONARY DRIVE IS NEITHER BLUNTED NOR EXHAUSTED; RATHER IT SIMPLY MAY HAVE TAKEN ON A NEW FORM: EMPLOYING ECONOMIC, CULTURAL, AND DIPLOMATIC INSTRUMENTS WHICH PROMISE A HIGHER PAY-OFF THAN REVOLUTIONARY VIOLENCE. THIS ENHANCES THE SOVIET IMAGE AND GETS LATIN LEADERS ACCUSTOMED TO A BENIGN SOVIET FOOTHOLD IN THE REGION. NO LESS VISIBLY, HOWEVER, SOVIET SUPPORT OF THE SANDINISTAS AND SALVADORAN GUERILLAS, AND OTHER INSURGENCIES, CONTINUES TO FEED VIOLENCE IN THE REGION. GREATER VIGILANCE, NOT LESS, IS REQUIRED AS GORBACHEV SUCCEEDS IN PORTRAYING A LESS MENACING SOVIET UNION TO THE WORLD--PARTICULARLY WHILE IT REMAINS TO BE SEEN IF THE SOVIETS TRULY WANT PEACE IN CENTRAL AMERICA. AS JEAN FRANCOIS REVEL WARNS US: "A COMMUNIST REGIME CAN UNDERTAKE REFORM AT HOME WITHOUT CEASING TO BE A THREAT ABROAD".

## IV. VISION AND OPPORTUNITY

AS WE LOOK FORWARD TO THE NEXT FOUR YEARS, IT IS IMPORTANT THAT WE DEVELOP A COMPREHENSIVE STRATEGIC VISION FOR LATIN AMERICA. THAT VISION SHOULD BE ANCHORED IN AN UNDERSTANDING OF HOW LATIN AMERICA AFFECTS THE FULL SPECTRUM OF OUR NATIONAL INTERESTS: MILITARY DEFENSE, ECONOMIC WELL-BEING, INTERNATIONAL ORDER, AND THE PROTECTION OF OUR VALUES.

A PROSPEROUS DEMOCRATIC COMMUNITY OF NATIONS IN THIS HEMISPHERE IS INTEGRAL TO THAT VISION. EQUALLY IMPORTANT IS DECISIVE AUTHORITY--WHICH IS CONSENSUS AND LEADERSHIP IN OUR GOVERNMENT--WITHOUT WHICH IT IS IMPOSSIBLE TO ACHIEVE OUR STRATEGIC VISION. NICARAGUA, CUBA, AND PANAMA WILL CONTINUE TO

TEST OUR COMMITMENT TO WHAT FORMER SECRETARY OF STATE GEORGE SHULTZ CALLED 'DEMOCRATIC SOLIDARITY'. DEVELOPMENTS IN THESE COUNTRIES, ALONG WITH THE BATTLE FOR DEMOCRACY IN EL SALVADOR, WILL REMAIN IMPORTANT CHALLENGES TO US. HOWEVER, THEY MUST BE PUT INTO THE POLICY BALANCE ALONG WITH THE INTERNATIONAL DEBT PROBLEM, DRUGS, AND THE REQUIREMENT FOR INCREASED TRADE AND INVESTMENT TO RESTART ECONOMIC GROWTH THROUGHOUT LATIN AMERICA. THE ANARCHY WHICH THREATENS PERU AND COLOMBIA IS AN EQUALLY PRESSING CONCERN.

IT MAY VERY WELL BE THAT LATIN AMERICA WILL NOT EMERGE FROM ITS ECONOMIC CRISIS FOR ANOTHER 10 - 15 YEARS. THE REGION IS NOW GROWING AT A MERE 0.6 PERCENT PER YEAR, WHICH IS WHY NEW YORK BANKERS ARE NOT PREDICTING AN ATTRACTIVE INVESTMENT CLIMATE BEFORE THE YEAR 2000.

THE REMEDIES WILL REQUIRE PROMPT CONSENSUS ACTION AMONG DECISION MAKERS IN BOTH THE UNITED STATES AND LATIN AMERICA. YET, THERE APPEARS TO BE LITTLE SENSE OF URGENCY AMONG COUNTRIES IN THE HEMISPHERE, AND LESS BEYOND, TO DEVELOP THE COMMON STRATEGIES NECESSARY TO PROMOTE REGIONAL ECONOMIC GROWTH--A GROWTH THAT IS IMPORTANT TO OUR EXPORTS AND EMPLOYMENT. SECRETARY BRADY'S DEBT REDUCTION PROPOSAL MUST BE PURSUED VIGOROUSLY NOW THAT CONSENSUS IS BEGINNING TO EMERGE.

THERE IS ALSO A CLEAR THREAT THAT TODAY'S DIFFICULTIES IN SOME LATIN DEMOCRACIES MAY BE A PRELUDE TO ANOTHER ROUND OF AUTHORITARIANISM. SINCE MODERATE DEMOCRATIC REGIMES HAVE FAILED TO BRING PROMISED PROSPERITY, CYNICISM HAS REPLACED NASCENT CONFIDENCE IN POLITICAL LEADERSHIP, AND MORE RADICAL-POPULIST APPROACHES ARE GAINING APPEAL. SOME CURRENT AND PROSPECTIVE LEADERS WITHIN SOUTH AMERICA ARE ADOPTING STRIDENT, OFTEN ANTI-AMERICAN RHETORIC, AS THEY SEEK MASS APPROVAL. USUALLY THE MOVEMENT IS TO THE LEFT, BUT IN EL SALVADOR AND GUATEMALA IT IS TO THE RIGHT. THROUGHOUT THE HEMISPHERE, THE POPULARITY OF DEMOCRATIC GOVERNMENTS IS BEING ERODED BY REQUIRED ECONOMIC REFORM PROGRAMS INSTITUTED BY INTERNATIONAL FINANCIAL INSTITUTIONS AND

SUPPORTED BY US, AND BY THE FAILURE OF ECONOMIC AND SOCIAL PROGRESS TO MATCH STRIDES IN THE POLITICAL ARENA.

AS I HAVE POINTED OUT, A LARGE NUMBER OF UPCOMING ELECTIONS WILL TEST THE DEMOCRATIC IDEAL BY BRINGING TO POWER EITHER A NEW BRAND OF POPULISM OR RESPONSIBLE LEADERSHIP. LATIN AMERICA IN THE NEXT TEN YEARS MAY INDEED DEVELOP AS A VARIANT OF THE INDIAN SUBCONTINENT: VERY MODERNIZED AND PROSPEROUS SECTORS, CO-EXISTING WITH SECTORS OF GROSS BACKWARDNESS AND POVERTY. THE PAUPERIZATION OF THE VAST LOWER CLASSES AND INCREASINGLY OF THE MIDDLE CLASSES IS A DISTURBING TREND. AS A RESULT, THE POTENTIAL FOR NEW OUTBREAKS OF SOCIAL CONFLICT IN LATIN AMERICA IS GREATER NOW THAN AT ANY TIME IN THE LAST GENERATION. ONE ONLY NEEDS TO LOOK AT WHAT RECENTLY OCCURED IN VENEZUELA TO RECOGNIZE THIS FACT. WITHOUT THE TONIC OF ECONOMIC GROWTH, DEMOCRACY FACES A GRIM FUTURE.

## V. STRATEGIC IMPERATIVES

AGAINST THIS BACKDROP, I WANT TO EXPLAIN BRIEFLY THE NATURE OF OUR MILITARY REQUIREMENTS IN SOUTHERN COMMAND. THERE IS AN ABSOLUTE CERTAINTY OF LOW INTENSITY/HIGH PROBABILITY CONFLICT INVOLVEMENT IN LATIN AMERICA. WE NEED ONLY LOOK AT THE LARGE NUMBER OF ACTIVE INSURGENCIES WHICH THREATEN DEMOCRATIC GOVERNMENTS TO REALIZE THE DIMENSION OF THE PROBLEM. THIS TYPE OF WARFARE WILL NOT BE WON SOLELY WITH TECHNOLOGICAL QUICK FIXES. THE CAMPAIGN PLANS IN THIS TYPE OF WARFARE ARE TIME INTENSIVE AND REQUIRE CREDIBLE CONSISTENCY OVER THE LONG HAUL. OUR PROGRESS WILL BE MEASURED IN SMALL INCREMENTS RATHER THAN THE QUICK SUCCESSES TO WHICH WE AND THE AMERICAN PUBLIC ARE MORE ATTUNED AND SEEM TO DEMAND AS A MATTER OF COURSE. AS SUCH, OUR GOOD NEWS SIMPLY DOES NOT MAKE GOOD TELEVISION JOURNALISM.

OUR STRATEGIC PLANNING FOR LATIN AMERICA INCLUDES THE DEVELOPMENT OF DETERRENT ACTIVITIES WHICH ACHIEVE SUPPORT FOR THE DEMOCRATIC PROCESS BY PURSUING THE PROFESSIONALIZATION OF HOST

COUNTRY MILITARIES AND THE LEGITIMIZATION OF THEIR ROLE IN THE DEMOCRATIC PROCESS.

CRUISE MISSILES, AIRCRAFT CARRIERS, ABRAMS TANKS, AND B-1 BOMBERS HAVE LIMITED USE IN SOUTHERN COMMNAND'S AREA OF OPERATIONS. IF WE GET TO THE POINT WHERE WE HAVE TO RELY ON THE USE OF MOST OF THESE ITEMS, THEN IT PROBABLY WILL MEAN THAT WE HAVE ALREADY GONE A LONG WAY TOWARD LOSING THE WAR. INSTEAD, AT THE LOWER END OF THE SPECTRUM, THE SET OF RELEVANT DETERRENT FORCE OPTIONS IS FAR MORE LIKELY TO CONSIST OF ACTIVITIES ENCOMPASSING SECURITY ASSISTANCE, COMBINED TRAINING EXERCISES, INTELLIGENCE SUPPORT, OFFICER EXCHANGES, HUMANITARIAN ASSISTANCE AND CIVIC ACTION, PSYCHOLOGICAL OPERATIONS, ENGINEER CONSTRUCTION, MEDICAL EXERCISES, AND INFRASTRUCTURE DEVELOPMENT. THESE ACTIVITIES REQUIRE DIFFERENT RESOURCES AND OFTEN DIFFERENT SKILLS IN ORDER TO BE SUCCESSFUL.

THE GOLDWATER-NICHOLS ACT HAS HELPED US IMMENSELY IN SURFACING OUR REQUIREMENTS. NOW THE UNIFIED COMMANDER HAS MULTIPLE CHANNELS TO VOICE HIS CONCERNS AND HIS PRIORITY REQUIREMENTS TO THE SERVICE CHIEFS, THE CHAIRMAN OF THE JOINT CHIEFS OF STAFF, AND THE SECRETARY OF DEFENSE. ADDITIONALLY, THE VICE CHAIRMAN OF THE JOINT CHIEFS OF STAFF HAS BEEN PLACED IN A POSITION OF SPOKESMAN FOR CINC REQUIREMENTS IN THE VARIOUS DEFENSE MANAGEMENT FORA. GENERAL WOERNER FEELS THAT USSOUTHCOM CURRENTLY HAS A RELATIVELY EQUAL OPPORTUNITY TO COMPETE FOR RESOURCES WITH ALL OTHER COMMANDS AND SERVICE HEADQUARTERS WITHIN THE DEPARTMENT OF DEFENSE.

## VI. ACTION PLAN.

IMPROVED DIALOGUE. ADJUSTING OUR PRIORITIES IS THE NECESSARY FIRST STEP IN ACHIEVING OUR HEMISPHERIC GOALS. WE MUST RENEW EMPHASIS ON THE CORE ELEMENTS OF THE U.S.-LATIN AMERICAN RELATIONSHIP, STRENGTHENING THE SOCIAL, ECONOMIC, AND POLITICAL BASES OF DEMOCRACY, PROMOTING ECONOMIC GROWTH AND FIGHTING DRUG

TRAFFICKING ARE FUNDAMENTAL TO THE TASK OF DEMOCRACY. ADJUSTING PRIORITIES WILL REQUIRE A CHANGE IN THE TONE OF OUR MESSAGES TO PROMOTE DIALOGUE. IF WE ARE NOT CAREFUL, WE CAN DISTANCE OURSELVES FROM LATIN AMERICAN DEMOCRACIES AND DISTRACT OURSELVES FROM OPPORTUNITIES WHICH COULD OTHERWISE STRENGTHEN THE ECONOMIES AND SOCIETIES OF ALL OF THE AMERICAS, INCLUDING THE UNITED STATES.

AS WE MOVE TOWARD INCREASED COOPERATION AND DIALOGUE, THE HOPE IS THAT THE LATINS WILL REPLY IN KIND, MAKING OUR EFFORTS IN THE AREAS OF NARCOTICS, INTERNATIONAL DEBT PAYMENTS, ILLEGAL IMMIGRATION, AND ENVIRONMENTAL IMPROVEMENT MORE PRODUCTIVE. WE LOOK FORWARD AS WELL TO GREATER MULTILATERAL COOPERATION IN DEVELOPING AND STRENGTHENING THE DEMOCRATIC FOUNDATIONS OF NICARAGUA AND PANAMA. AND WE RECOGNIZE THAT, ON THE HOME FRONT, WE MUST WORK TO HAVE ENLIGHTENMENT AND CONCERN REPLACE INDIFFERENCE AND MISTRUST IN THE WAY WE OFTEN VIEW LATIN AMERICA. THE DEMOCRATIC RENAISSANCE UNDERWAY IN LATIN AMERICA, WHICH WE DIRECTLY CORRELATE AS BENEFICIAL TO OUR NATIONAL SECURITY, IS FREQUENTLY MET WITH EITHER LACK OF KNOWLEDGE OR SKEPTICISM AT HOME. THE CONGRESS CAN HELP TO EDUCATE THE AMERICAN PUBLIC AS TO OUR NATIONAL INTERESTS IN LATIN AMERICA.

CENTRAL AMERICA. THE GREATEST CHALLENGE FOR THE U.S. GOVERNMENT IS TO DEMONSTRATE OUR ENDURING COMMITMENT TO THIS TROUBLED REGION. CONSISTENT RESOURCE SUPPORT FOR DEMOCRACY, HUMAN RIGHTS, AND PEACE SHOULD UNDERPIN OUR POLICY OF DEVELOPING HUMAN POTENTIAL IN CENTRAL AMERICA.

NICARAGUA REMAINS THE LARGEST HURDLE TO THE SUCCESSFUL PROSECUTION OF U.S. STRATEGY IN CENTRAL AMERICA. AIDED BY MASSIVE ECONOMIC AND MILITARY HARDWARE INJECTIONS FROM THE SOVIET UNION AND WITH CONTINUED AID FROM CUBA, THE SANDINISTAS HAVE MAINTAINED A REPRESSIVE DICTATORIAL REGIME. THERE HAS BEEN, HOWEVER, SOME RECENT LIMITED MOVEMENT TOWARD DEMOCRACY ON THE PART OF THE SANDINISTAS. THIS ACTIVITY NEEDS TO BE CLOSELY MONITORED AND NURTURED WHERE POSSIBLE. OUR NEWLY ACHIEVED BIPARTISAN UNITY, CAN

HELP MAKE THE PROVISIONS OF THE ESQUIPULAS II PEACE PLAN AND THE TESORO BEACH DOCUMENT EFFECTIVE IN DEMOCRATIZING NICARAGUA. AS THE ACCORD SIGNED BY PRESIDENT BUSH AND THE LEADERSHIP OF BOTH HOUSES OF CONGRESS POINTS OUT, THE CENTRAL AMERICAN PEACE PROCESS CAN BE SUCCESSFUL IF IT IS BASED ON AGREEMENTS WHICH CONTAIN "...CREDIBLE STANDARDS OF COMPLIANCE, STRICT TIMETABLES FOR ENFORCEMENT, AND EFFECTIVE ONGOING MEANS TO VERIFY BOTH THE DEMOCRATIC AND SECURITY REQUIREMENTS OF THOSE AGREEMENTS." THE MECHANISMS TO ACHIEVE THESE STANDARDS MUST INCLUDE PARTICIPATION BY THE CENTRAL AMERICAN DEMOCRATIC PRESIDENTS; AND CONTINUED COOPERATION WITH THE U.S. CONGRESS TO FORGE EFFECTIVE, DURABLE, BIPARTISAN POLICY DESIGNED TO SECURE FULLY OUR INTERESTS OF PEACE AND SECURITY THROUGH DEMOCRACY IN CENTRAL AMERICA.

AS WE WRESTLE WITH NEW IDEAS FOR MEETING THE CHALLENGES IN CENTRAL AMERICA, WE WOULD DO WELL TO CONSULT THE KISSINGER COMMISSION BIPARTISAN REPORT ON CENTRAL AMERICA OF 1984. MANY OF ITS RECOMMENDATIONS, PARTICULARLY THOSE ON THE NEED FOR ECONOMIC, EDUCATIONAL, AND SECURITY ASSISTANCE ARE AS VALID TODAY AS THEY WERE FIVE YEARS AGO, INCLUDING THE POINTS THE COMMISSION MADE REGARDING PANAMA. THE RECENTLY COMPLETED REPORT OF THE INTERNATIONAL COMMISSION FOR CENTRAL AMERICAN RECOVERY AND DEVELOPMENT (SANFORD COMMISSION) ALSO POSITS SOME VERY USEFUL RECOMMENDATIONS FOR ADDRESSING THE REGION'S ILLS.

PANAMA. ALTHOUGH PANAMA IS STILL OF MAJOR STRATEGIC IMPORTANCE, AND POLITICO-MILITARY EVENTS IN THAT COUNTRY HAVE A SIGNIFICANT IMPACT ON U.S. INTERESTS WITHIN THE REGION, WE SHOULD NOT ALLOW THE CURRENT CRISIS TO DOMINATE OUR OVERALL CONCERNS FOR LATIN AMERICA. WE NEED TO EXAMINE ALTERNATE WAYS TO RESOLVE THE PROBLEM. THE KISSINGER COMMISSION NOTED IN REFERENCE TO PANAMA THAT: "...ANY THREAT TO THE POLITICAL SECURITY OF THAT COUNTRY AND TO THE MAINTENANCE OF FRIENDLY RELATIONS WITH THE UNITED STATES AUTOMATICALLY CONSTITUTES A STRATEGIC THREAT." AS WE GAUGE THE DEPTH OF OUR FUTURE COMMITMENT TO HELP BRING DEMOCRACY TO PANAMA, NOW BARELY A MONTH AWAY FROM WHAT COULD EASILY BE A SHAM

DEMOCRATIC ELECTION. WE WOULD DO WELL TO KEEP THIS THOUGHT IN MIND. IN THIS RESPECT, WE NEED TO CONTINUE TO BRING MAXIMUM INTERNATIONAL ATTENTION TO BEAR IN THE HOPES OF FORCING HONEST ELECTIONS. ADDITIONALLY, WHEN PANAMA CORRECTS ITS COURSE, THE U.S. GOVERNMENT SHOULD BE READY TO OFFER A COMPREHENSIVE, LONG-TERM ASSISTANCE PROGRAM DESIGNED TO REPAIR THE MASSIVE ECONOMIC DAMAGE WHICH NORIEGA HAS PRECIPITATED ON THAT NATION. LEST OUR INTENTIONS ARE MISUNDERSTOOD, AND TO AVOID MISINFORMATION ON THE SUBJECT, WE ALSO SHOULD CONTINUE TO PUBLICIZE OUR PLANS TO IMPLEMENT FULLY THE PANAMA CANAL TREATIES.

EL SALVADOR. WE MUST MAINTAIN OUR SUPPORT FOR SALVADORAN DEMOCRACY NOW THAT THE ARENA PARTY IS THE DECLARED WINNER OF THE RECENTLY CONDUCTED PRESIDENTIAL ELECTION. CONTINUATION OF THE PROGRESS MADE UNDER PRESIDENT JOSE NAPOLEON DUARTE IN THE AREAS OF POLITICAL AND CIVIL LIBERTIES MUST BE FIRST PRIORITY OF PRESIDENT ELECT ALFREDO CRISTIANI. ANY ACTIONS TO REDUCE OUR SUPPORT SHOULD BE BASED ON DEMONSTRATED FAILURE TO SUPPORT FULLY THESE CRUCIAL ADVANCES.

OUR ANALYSIS INDICATES EL SALVADOR SHOULD RECEIVE $97.5 MILLION A YEAR JUST TO SUSTAIN THE MILITARY STRATEGY AT CURRENT LEVELS OF OPERATION. FUNDING AT APPROXIMATELY $90 MILLION (THE FY 1989 LEVEL IS $85 MILLION) WILL CONTINUE TO PROVIDE FOOD, AMMUNITION AND FUEL, BUT IT WILL NOT REPLACE COMBAT LOSSES AND ATTRITION OF HELICOPTERS, SMALL ARMS, AND COMMUNICATIONS GEAR.

HONDURAS. THIS FRAGILE DEMOCRACY REMAINS CRITICALLY IMPORTANT TO OUR PURSUIT OF A COHERENT STRATEGY IN CENTRAL AMERICA. IT FACES A PRESIDENTIAL ELECTION IN NOVEMBER THIS YEAR, AND WE MAY SEE HONDURAN NATIONALISM MANIFEST ITSELF PRIOR TO THE ELECTIONS IN THE FORM OF SOME ANTI-U.S. SENTIMENT. CALLS FOR REDUCTIONS IN OUR FORCE PRESENCE IN HONDURAS AND DEMANDS FOR A LESSENING OF OUR COMBINED EXERCISES WITH THE HONDURAN ARMED FORCES ARE EXPECTED FROM A MINORITY. WORKING WITH THE DEMOCRATICALLY-ELECTED GOVERNMENT, OUR COMMITMENT TO THE SECURITY AND THE DEVELOPMENT OF

THIS COUNTRY MUST REMAIN STRONG, AND IT MUST BE RESOURCED ACCORDINGLY. FROM A REGIONAL PERSPECTIVE, THE WORST THING WHICH WE COULD DO WOULD BE TO REDUCE EITHER OUR PRESENCE OR EXERCISE LEVEL WITHOUT SECURING FOR HONDURAS (AND THE OTHER REGIONAL DEMOCRACIES) DEFINITIVE EVIDENCE OF SANDINISTA DEMILITARIZATION AND A REVERSAL OF ITS SUBVERSIVE FOREIGN POLICY.

## SOUTH AMERICA.

THERE IS A CRITICAL NEED FOR A BALANCED POLICY TO SECURE OUR NATIONAL INTERESTS SOUTH OF PANAMA. IN A BROAD SENSE, OUR CHALLENGE IN SOUTH AMERICA IS TO AVOID DEBT DEFAULT AND EXTREME POLITICAL SWINGS. WE NEGLECT DEVELOPMENTS THERE AT GREAT RISK. THE PROBLEMS ARE PARTICULARLY SEVERE FOR DEMOCRATIC COUNTRIES WHICH CAN NOT PROVIDE JOBS, BECAUSE THEY HAVE INHERITED DEBT SERVICE PAYMENTS TOO HIGH TO ALLOW FOR ECONOMIC GROWTH. ADDITIONALLY, THE REALITY OF INSURGENT VIOLENCE HAS A POTENTIALLY DEVASTATING IMPACT ON SEVERAL OF THE DEMOCRACIES, PARTICULARLY IN THE ANDEAN REGION.

IT IS TRUE THAT THE ACTIONS OF THE UNITED STATES AGAINST ILLEGAL DRUGS IN OTHER COUNTRIES CAN NEVER SUCCEED UNLESS OUR DOMESTIC APPETITE FOR THESE POISONS IS ELIMINATED OR GREATLY REDUCED. NONETHELESS, IT IS CRITICAL THAT WE DO EVERYTHING WE CAN IN THE INTERNATIONAL ARENA TO CURB COCA CROP GROWTH AND INTERDICT ILLEGAL DRUG PRODUCTION AND SHIPMENT. HERE, IT IS IMPORTANT TO FOCUS ON THE CRITICAL NODES OF NARCOTRAFFICKER ACTIVITY: THE CASH AND MONEY LAUNDERING DIMENSION REPRESENT UNIQUE LAW ENFORCEMENT AND INTELLIGENCE OPPORTUNITIES FOR IDENTIFYING AND INTERCEPTING CASH FLOWS. PRECURSOR CHEMICALS, THE DRUG LEADERSHIP, ROUTES OF INGRESS AND EGRESS ARE OTHER NODES ON WHICH WE COULD PRODUCTIVELY FOCUS INTERAGENCY COOPERATIVE EFFORTS TO ATTACK NARCOTRAFFICKER VULNERABILITIES.

OVERALL, THERE IS A NEED FOR A COMPREHENSIVE BIPARTISAN REVIEW OF THE ACTIONS WHICH SHOULD BE TAKEN, SIMILAR TO WHAT THE KISSINGER COMMISSION DID IN CENTRAL AMERICA. A REVIEW FOR THE SOUTHERN CONE COUNTRIES AND ANOTHER FOR THE ANDEAN RIDGE COUNTRIES

MIGHT BE THE MOST PRODUCTIVE WAY TO PROCEED.

ARGENTINA. ARGENTINE DEMOCRACY HAS SHOWN AN ENDURANCE WHICH FEW WOULD HAVE PREDICTED. THE MILITARY HAVE DEMONSTRATED THEIR SUPPORT FOR DEMOCRACY AND ALSO FOR IMPROVED INTERACTION WITH THE U.S. MILITARY. THE POLICY CHALLENGE OF THE U.S. COULD WELL BE BUFFERING THE IMPACT OF A DEMOCRATICALLY ELECTED POPULIST PRESIDENT WITH STRONG EXTREMIST SUPPORT. OUR SECURITY INTERESTS WOULD BEST BE SERVED IF WE COULD OPEN MEANINGFUL, SMALL SCALE, MILITARY-TO-MILITARY CONTACTS SUCH AS LOGISTICS AND MAINTENANCE TRAINING TEAMS; COMPUTER WARGAMING AND COMMAND POST COMBINED EXERCISES. A SECURITY ASSISTANCE ALLOCATION AT THIS TIME OF APPROXIMATELY $10 MILLION WOULD ALSO GO A LONG WAY TOWARD PROMOTING A MILITARY WHICH CONTINUES TO SUPPORT DEMOCRATIC CIVILIAN CONTROL.

IN CHILE WE HAVE AN OPPORTUNITY MORE POSITIVELY TO RECOGNIZE THE COUNTRY'S MOVE TOWARD DEMOCRACY AND THE PRESIDENTIAL ELECTIONS SCHEDULED FOR DECEMBER OF THIS YEAR--AN ELECTION WHICH WILL RETURN POWER TO A CIVILIAN EXECUTIVE. THE U.S. CONGRESS CAN HELP BY REMOVING OR REDUCING SOME OF THE RESTRICTIONS ON OUR MILITARY-TO-MILITARY PROGRAMS AND CONTACTS WITH THE CHILEAN ARMED FORCES. OUR EFFORTS WOULD FOCUS ON SECURING MILITARY SUPPORT DURING CHILE'S DEMOCRATIC TRANSITION. BY VIRTUE OF OUR CONTACTS, WE WOULD HELP TO BUFFER WHATEVER ROUGH SPOTS THERE MIGHT BE DURING THIS PROCESS. THIS IS ONE POTENTIALLY VERY EFFECTIVE WAY IN WHICH THE U.S. SOUTHERN COMMAND CAN PROMOTE THE DEMOCRATIC PROCESS IN CHILE.

PARAGUAY. SIMILARLY, IN PARAGUAY CIRCUMSTANCES ARE FAVORABLE FOR BEGINNING THE PROCESS OF DEMOCRATIC DEVELOPMENT. WORKING IN SUPPORT OF OUR AMBASSADOR AND ASSUMING HONEST, OPEN ELECTIONS IN MAY, U.S. SOUTHERN COMMAND'S ACTION PLAN WILL BE TO USE THE TOOLS AVAILABLE TO DEEPEN OUR DIALOGUE WITH THE PARAGUAYAN MILITARY TO SUPPORT THE DEVELOPMENT OF DEMOCRACY.

ANDEAN RIDGE. FOREMOST ON THE AGENDA IN THIS MAJOR COCA-PRODUCING REGION IS THE NEED FOR THE DEVELOPMENT OF A COHERENT U.S. GOVERNMENT STRATEGY. THE DEMOCRACIES OF BOLIVIA, COLOMBIA, ECUADOR, PERU, AND VENEZUELA ARE CHALLENGED BY DIFFERING MIXES OF ECONOMIC DIFFICULTIES, THE EFFECTS OF THE ILLICIT DRUG TRADE, AND INSURGENT VIOLENCE AND TERROR. DEVELOPMENTS IN THIS REGION DIRECTLY CHALLENGE TWO OF OUR MOST IMMEDIATE CONCERNS, THE SECURITY OF DEMOCRACIES IN THE HEMISPHERE AND THE FLOW OF ILLEGAL DRUGS INTO THE U.S. WE MAY NOT BE ABLE TO INTERVENE AND ACHIEVE A 100% SOLUTION FOR THE DRUG PROBLEM. HOWEVER, IF WE ARE TO HAVE ANY CHANCE OF SUCCESS AT THE SOURCE, WE MUST ATTACK THE PROBLEM AS ONE PART OF A COMPLEX SOCIAL, CULTURAL, AND ECONOMIC PHENOMENON, WHICH BEGINS LARGELY IN THE ANDEAN RIDGE. IT IS IN THE ANDEAN RIDGE WHERE THE INTERPLAY OF DRUGS AND INSURGENCY IS STRONGEST AND WHERE WE MIGHT, WITH THE HELP OF CONGRESS, DEVELOP EFFECTIVE WAYS TO STRENGTHEN DEMOCRACY. U.S. FINANCIAL AID TIED TO DEMONSTRATED ACTION AGAINST DRUG CULTIVATION AND TRAFFICKING IS ONE GENERAL APPROACH WHICH I THINK IS WORTH CONTINUING.

SECURITY ASSISTANCE.

IF THE DEVELOPMENT OF ALLIED THIRD WORLD MILITARIES WHICH ARE BOTH COMPETENT AND SUPPORTIVE OF LEGITIMATELY ELECTED GOVERNMENTS IS IN THE INTEREST OF THE UNITED STATES, THEN YOU MUST UNFETTER THE SECURITY ASSISTANCE PROGRAM. IN ADDITION, WE NEED SOME STABILITY IN THE APPROPRIATIONS: WITHOUT BEING ABLE TO PREDICT SECURITY ASSISTANCE LEVELS, NEITHER WE NOR HOST COUNTRY MILITARIES CAN PLAN EFFECTIVELY FROM ONE YEAR TO THE NEXT. THE IMPACT OF THIS WOULD BE FAR LESS WERE IT NOT FOR EARMARKING, LEGISLATIVE RESTRICTIONS AND, MOST DISAPPOINTING, THE LACK OF FLEXIBILITY TO SUPPORT OUR POLICY INITIATIVES.

THE TOTAL MILITARY ALLOCATION FOR SECURITY ASSISTANCE TO THE SOUTHERN COMMAND REGION REPRESENTS ONLY ABOUT THREE PERCENT OF THE WORLD-WIDE TOTAL. AT THIS LEVEL WE ARE SORELY UNDERFUNDED AND

EARMARKING EXACERBATES THIS SHORTFALL FURTHER. IN THESE DAYS OF SHRINKING OVERALL FUNDS, EARMARKING TIED TO A PREVIOUS YEAR'S DOLLAR-LEVEL HURTS DISPROPORTIONATELY. IN FY 1985 ONLY 46% OF ALL "MAP" DOLLARS WERE EARMARKED FOR SPECIFIC COUNTRIES. BY FY 1989 THIS TOTAL HAS GROWN TO ALMOST 94%. ANOTHER MEASURE IS THAT WHILE IN FY 1985 U.S. SECURITY ASSISTANCE WENT TO 50 NATIONS, IN FY 1989, WE HAVE ACCESS TO ONLY 30 COUNTRIES VIA THIS CHANNEL. FOR ME, THIS MEANS THAT MY SMALL BUT IMPORTANT COUNTRY PROGRAMS HAVE BEEN SQUEEZED EVEN FURTHER.

THERE IS ALSO LITTLE CAPABILITY WITHIN THE SYSTEM TO ADAPT TO THE TYPE OF THREAT WHICH WE FACE IN LATIN AMERICA. IN THIS ENVIRONMENT ENCOURAGING COUNTRIES TO DEVELOP EFFECTIVE COUNTER-INSURGENCY STRATEGIES, A DELICATE AND CHALLENGING PROCESS, BECOMES AS IMPORTANT AS PROVIDING ARMS AND EQUIPMENT. POLICIES THAT MAKE SENSE WHEN WE ARE TALKING ABOUT SELLING MODERN, MAJOR, AND HIGHLY SOPHISTICATED WEAPONS SYSTEMS TO OTHER COUNTRIES QUICKLY LOSE THEIR LOGIC WHEN APPLIED TO LOW-TECHNOLOGY, AND OFTEN (FROM OUR PROSPECTIVE) OBSOLETE MILITARY EQUIPMENT.

POLICE TRAINING. THERE IS A CONTINUING NEED FOR RELAXATION OF SECTION 660 OF THE FOREIGN ASSISTANCE ACT, WHICH PRECLUDES U.S. TRAINING AND EQUIPPING OF HOST COUNTRY POLICE FORCES. WE SHOULD BE ALLOWED TO TRAIN POLICE PERSONNEL IN ANY COUNTRY WHICH HAS AN ELECTED DEMOCRATIC GOVERNMENT AND DOES NOT DEMONSTRATE A CONSISTENT PATTERN OF VIOLATIONS OF INTERNATIONALLY RECOGNIZED HUMAN RIGHTS. THIS WOULD ALLOW US TO INTERFACE MORE EFFECTIVELY WITH HOST COUNTRY POLICE, OFTEN PARA-MILITARY FORCES, AND CRITICAL ASSETS FOR PROVIDING PUBLIC SECURITY WHEN COUNTERING INSURGENCY.

ANOTHER INITIATIVE WHICH WOULD HELP IS TO PROVIDE EXCESS DEPARTMENT OF DEFENSE MATERIEL, AT NO COST, TO HELP COMBAT DRUGS AND INSURGENCY. CONGRESSIONAL AUTHORITY SIMILAR TO THAT GRANTED UNDER SECTION 516 OF THE FOREIGN ASSISTANCE ACT, WHICH ALLOWS FOR THE MODERNIZATION OF THE ARMED FORCES OF THE NATO SOUTHERN FLANK COUNTRIES, IS WHAT IS REQUIRED. HOWEVER, THIS MATERIEL SHOULD INCLUDE THE ITEMS NEEDED IN THIS REGION--EQUIPMENT SUCH AS

HUMANITARIAN AND CIVIC ASSISTANCE ACTIVITIES WHICH WERE INCIDENTAL TO OUR EXERCISES. THE NEEDS FOR HUMANITARIAN AND CIVIC ASSISTANCE IN THIS LARGELY UNDERDEVELOPED PART OF THE WORLD FAR EXCEEDED OUR AUTHORIZED ACTIVITIES.

WE GAINED A MAJOR IMPROVEMENT IN OUR HUMANITARIAN CAPABILITY WHEN CONGRESS ENACTED SECTION 401 OF TITLE 10. U.S. CODE AS PART OF THE NATIONAL DEFENSE AUTHORIZATION ACT FOR FY 87. THIS ENABLED US TO CARRY OUT HUMANITARIAN AND CIVIC ASSISTANCE ACTIVITIES "IN CONJUNCTION WITH" AUTHORIZED OPERATIONS, PROVIDED THESE ACTIVITIES PROMOTE U.S. GOVERNMENT AND HOST COUNTRY SECURITY INTERESTS AND THE READINESS SKILLS OF THE U.S. MILITARY WHO PARTICIPATE IN THE ACTIVITIES.

THIS PROGRAM WAS FUNDED IN EXCESS OF $2.6 MILLION IN FY 89, A TREMENDOUS WINDFALL FOR SOUTHERN COMMAND. WE NOW HAVE THE CAPABILITY TO USE BOTH THE HUMANITARIAN AND CIVIC ASSISTANCE PROGRAM AND THE STEVENS AMENDMENT TO INCREASE OUR POSITIVE IMPACT ON THE LOCAL COMMUNITY WHERE WE TRAIN. THE LEVELS OF FUNDING WITH WHICH WE ARE DEALING ARE STILL VERY SMALL (THE ENTIRE DOD AUTHORITY FOR FY 87-91 IS $16.4 MILLION), PARTICULARLY WHEN MEASURED AGAINST THE GAINS IN TERMS OF INFRASTRUCTURE DEVELOPMENT IN THE HOST COUNTRIES. I WOULD LIKE THE COMMITTEE AND THE CONGRESS TO KNOW HOW VALUABLE THE NEW TITLE 10 AUTHORITIES ARE TO OUR EFFORTS IN SOUTHCOM.

KEY PROGRAMS. WE NEED SIMPLE AND ECONOMICAL EQUIPMENT TO BETTER ACCESS MY THEATER, PARTICULARLY IN THE AIR AND ON WATER. DEEP DRAFT BOATS AND C-130 AIRCRAFT CANNOT REACH LARGE SECTIONS OF LATIN AMERICA PLAGUED BY NATURAL DISASTERS OR DOMINATED BY INSURGENCIES AND DRUG LORDS. ONLY EIGHT PERCENT OF THE 10,000 PLUS AIRFIELDS WHICH EXIST IN LATIN AMERICA ARE USABLE BY THE C-130 AIRCRAFT. THE SHORT TAKE OFF AND LANDING (STOL), C-27 AIRCRAFT WILL OPEN ALMOST ALL (92%) OF WHAT IS NOT ACCESSIBLE TO ME NOW. SIMILARLY, MUCH OF THE 50,000 MILES OF INLAND WATERWAYS AND 35,000 MILES OF COASTLINE IN LATIN AMERICA ARE INACCESSIBLE GIVEN MY CURRENT FORCE CAPABILITIES. CONTINUED SUPPORT FOR NAVY

UNIFORMS, TENTS, MEDICAL SUPPLIES AND EQUIPMENT, TACTICAL RADIOS, SMALL ARMS, AMMUNITION, HELICOPTERS, RIVERINE CRAFT, COUNTER-INSURGENCY AIRCRAFT, CONSTRUCTION EQUIPMENT AND RUGGED TERRAIN VEHICLES. COUNTRIES WOULD PAY TRANSPORTATION COSTS, AND AN UPPER LIMIT SHOULD BE ESTABLISHED ON THE AMOUNT OF MATERIEL TRANSFERRED IN ANY ONE YEAR.

LETHAL AID SANCTIONS AGAINST GUATEMALA. THIS CENTRAL AMERICAN COUNTRY IS NOW MORE THAN THREE YEARS INTO ITS DEMOCRATIC EXPERIMENT AND IS STILL AT WAR AGAINST CUBAN SUPPORTED INSURGENTS. IT HAS EARNED A MODIFICATION, IF NOT A REPEAL, OF THE CONGRESSIONALLY IMPOSED SANCTION WHICH PRECLUDES THE PURCHASE OF LETHAL MILITARY EQUIPMENT WITH U.S. SECURITY ASSISTANCE DOLLARS. BECAUSE OF THESE RESTRICTIONS, THE GUATEMALAN ARMED FORCES CANNOT DO BASIC THINGS SUCH AS ADEQUATELY PROTECTING MEDEVAC HELICOPTERS AS THEY EXTRACT WOUNDED SOLDIERS. THEY ALSO CANNOT BUY ENGINES FOR THE A-37 AIRCRAFT WHICH PROVIDE CLOSE-AIR SUPPORT TO THEIR GROUND COMBAT UNITS. IT HAS BEEN THREE YEARS SINCE WE REINSTATED OUR SECURITY ASSISTANCE TO THIS COUNTRY. THE GUATEMALAN ARMED FORCES HAVE RESPONDED IN A POSITIVE MANNER BY IMPROVING THEIR HUMAN RIGHTS PERFORMANCE AND HAVE EARNED A LIFTING OR A LESSENING OF OUR SANCTION.

MILITARY EXERCISES. WE NEED CONTINUING SUPPORT OF THE CONGRESS FOR OUR JCS EXERCISE ACTIVITY. AFTER SECURITY ASSISTANCE, THIS REPRESENTS A MAJOR TOOL FOR CARRYING OUT OUR OVERALL MILITARY STRATEGY OF MAINTAINING A SECURE SOUTH FLANK. IN HONDURAS AND IN AN INCREASING NUMBER OF OTHER COUNTRIES, THESE EXERCISES ENHANCE DETERRENCE BY SIGNALLING A FIRM COMMITMENT TO THE AREA, AND HELP TO IMPROVE HOST COUNTRY READINESS. THEY ALSO PROVIDE A VALUABLE SOURCE OF TRAINING FOR THE U.S. MILITARY.

HUMANITARIAN AND CIVIC ASSISTANCE PROGRAMS. FOR 1985 AND 1986 OUR ONLY AUTHORITY TO FUND HUMANITARIAN AND CIVIC ASSISTANCE ACTIVITIES WAS THE STEVENS AMENDMENT TO THE DOD APPROPRIATIONS ACT. THIS AMENDMENT ALLOWED FOR THE USE OF EXERCISE FUNDS FOR

SPECIAL WARFARE UNITS WILL IMPROVE OUR CAPABILITY TO ASSIST HOST COUNTRY RIVERINE AND COASTAL DEFENSE FORCES. ANOTHER INITIATIVE, THE CARIBBEAN BASIN RADAR NETWORK (CBRN) WILL ENHANCE REGIONAL SECURITY AND OFFERS THE POTENTIAL FOR GREATER HOST COUNTRY INVOLVEMENT IN OUR COUNTER DRUG EFFORTS. THIS RADAR NETWORK WILL ALLOW US TO IDENTIFY AND TRACK AIRCRAFT ALONG CRITICAL DRUG TRANSSHIPMENT ROUTES OUT OF LATIN AMERICA INTO THE U.S. IT WILL ALSO PROVIDE HOST COUNTRIES AN INCREASED AIRSPACE MANAGEMENT, AIR DEFENSE, AND SEARCH AND RESCUE CAPABILITY. WHEN COMPLETED, THIS U.S. AIR FORCE PROGRAM WILL HAVE 13 RADARS AND TWO REGIONAL OPERATIONS CENTERS. THIS PROGRAM CAN PROVE VERY BENEFICIAL IN THE SOUTHERN COMMAND AREA OF RESPONSIBILITY.

EDUCATION AND TRAINING. IT IS IMPERATIVE THAT CONGRESS HELP TO ESTABLISH A COMPREHENSIVE PROGRAM AIMED AT BRINGING LATIN AMERICANS FROM ALL SEGMENTS OF SOCIETY TO THE USA FOR STUDY. WE NEED MORE LATIN YOUTHS EXPOSED TO OUR SYSTEM OF GOVERNMENT AND TO OUR DEMOCRATIC WAY OF LIFE. THE SOVIET UNION, CUBA, AND OTHER EAST BLOC NATIONS HAVE BEEN PROVIDING OVER 10,000 ACADEMIC SCHOLARSHIPS PER YEAR TO LATIN AMERICAN STUDENTS. THE UNITED STATES PROVIDES FAR FEWER, HAVING FUNDED ONLY 2700 IN ACADEMIC YEAR 87/88. THE IMPACT COULD BE DEVASTATING IN THE LONG RUN, AS THOUSANDS OF BLOC-EDUCATED STUDENTS RETURN HOME AND OCCUPY POSITIONS OF INCREASING AUTHORITY WITHIN THEIR LOCAL COMMUNITIES AND NATIONAL GOVERNMENTS. USAID HAS INSTITUTED A SMALL, HIGHLY SUCCESSFUL UNDERGRADUATE PROGRAM WHICH BRINGS TALENTED, BUT DISADVANTAGED CENTRAL AMERICAN STUDENTS TO THE U.S., BUT WE NEED TO DO MUCH MORE THROUGHOUT LATIN AMERICA.

PEOPLE--OUR STRATEGIC RESERVE. EACH ONE OF OUR MILITARY PERSONNEL IS AN IMPORTANT ASSET FOR US. WE DO NOT HAVE LARGE NUMBERS OF SOLDIERS, SAILORS, AIRMEN, OR MARINES, AND THOSE WHOM WE DO HAVE ARE OFTEN NOT VERY SENIOR IN COMPARISON WITH LARGER UNIFIED COMMANDS. AS A RESULT, WE ENTRUST THE SUCCESS OF MOST OF OUR INITIATIVES TO YOUNG LIEUTENANTS, SERGEANTS, AND SOMETIMES

MORE JUNIOR ENLISTED PERSONNEL. THESE PEOPLE ARE THE COMMAND'S "DIPLOMATS," AND ARE RESPONSIBLE FOR CONVEYING OUR MESSAGE TO THEIR LATIN MILITARY COUNTERPARTS. NEEDLESS TO SAY, OUR YOUNG PEOPLE DO A TREMENDOUS JOB OF THIS. THEY SERVE PROUDLY AND LOYALLY, AND THEY DO ALL THAT WE, THEIR LEADERS, ASK OF THEM.

I KNOW THAT YOU RECOGNIZE WHAT THESE PEOPLE ACCOMPLISH UNDER OFTEN DIFFICULT CIRCUMSTANCES, OVERSEAS, AND WITHOUT MANY OF THE COMFORTS AND FREEDOMS THAT MOST OF THEIR CONTEMPORARIES TAKE FOR GRANTED. THE MILITARY PERSONNEL WHOM WE SEE IN THE FIELD DO NOT ASK FOR MUCH. THEY ALMOST NEVER COMPLAIN--AND WHEN THEY DO, THEY ARE RIGHT MORE OFTEN THAN NOT. PARTICULARLY ADMIRABLE HAVE BEEN THOSE TROOPS AND THEIR FAMILIES WHO HAVE HAD TO ENDURE THE UNPLEASANT PRESSURES OF HARASSMENTS BY THE PANAMANIAN DEFENSE FORCES. IN OTHER COUNTRIES, THE OBVIOUS SATISFACTION WHICH OUR PEOPLE DERIVE FROM CHALLENGING TRAINING AND REWARDING PEACETIME INTERFACE WITH THEIR LATIN COUNTERPARTS IS SIGNIFICANT FOR THEM. BUT, IT IS NOT ENOUGH BY ITSELF. IT IS IMPORTANT THAT WE TAKE CARE OF THESE YOUNG AMERICANS IN A MANNER WHICH WILL ENSURE THEIR REENLISTMENT WHEN THEIR INITIAL OBLIGATIONS ARE UP. PROVIDING THEM WITH ADEQUATE PAY, HOUSING, AND MEDICAL AND DENTAL CARE FOR THEMSELVES AND THEIR FAMILIES ARE THE MINIMUM ESSENTIAL REQUIREMENTS. ON BEHALF OF GENERAL WOERNER, I ASK YOUR CONTINUED SUPPORT IN TAKING CARE OF OUR PEOPLE.

## VII. CONCLUSION

I HAVE TRIED TO SPELL OUT THE MAGNITUDE OF THE CHALLENGES AND AN ACTION PLAN TO PURSUE OUR INTERESTS IN LATIN AMERICA. THERE ARE SOME, I AM SURE, WHO WILL CONTEND THAT THE SITUATION IS IMPOSSIBLY BLEAK, THAT THE PROBLEMS ARE INTRACTABLE, AND THAT WE WOULD BE WELL ADVISED NOT TO BECOME FURTHER INVOLVED IN SUCH A MORASS. HOWEVER, I AM CONVINCED THAT INDIFFERENCE AND DISENGAGEMENT WOULD BE DISASTROUS FOR THE UNITED STATES.

THERE ARE NO EASY NOR QUICK SOLUTIONS FOR THE PROBLEMS WHICH WE FACE IN THIS HEMISPHERE. AND, WHILE I FULLY RECOGNIZE THE IMPERATIVES OF DEFICIT-DRIVEN TIGHT BUDGET DOLLARS, I ALSO KNOW THAT WE ARE DEALING WITH PROBLEMS IN LATIN AMERICA WHICH ARE GOING TO BE VASTLY MORE EXPENSIVE TO FIX LATER, IF WE DO NOT RESOLVE THEM NOW. THE PATIENCE AND COMMITMENT REQUIRED TO GENERATE SOLUTIONS ARE DEAR COMMODITIES. BUT, WE MUST PAY ATTENTION, AND REORIENT OUR EFFORTS IF NECESSARY, IF WE ARE TO SECURE OUR LONG-TERM INTERESTS IN THIS HEMISPHERE.

OUR CONTINUING CELEBRATION OF THE U.S. CONSTITUTION'S BICENTENNIAL SHOULD RESONATE TO STRENGTHEN THE DEMOCRATIC IDEAL OF GOVERNMENT FOR THE PEOPLE AND BY THE PEOPLE THROUGHOUT THE WESTERN HEMISPHERE. LET US COMMIT OURSELVES TO A STRATEGIC VISION THAT RECOGNIZES THE COMMUNITY OF DEMOCRATIC INTERESTS NORTH AND SOUTH. OUR NATIONAL SECURITY DEPENDS UPON IT. OUR STRATEGIC RESPONSE SHOULD DO JUSTICE TO THE CHALLENGES AND OPPORTUNITIES WE FACE.

Chairman NUNN. Thank you very much, Admiral.

General Lindsay.

## STATEMENT OF GEN. JAMES J. LINDSAY, U.S. ARMY, COMMANDER IN CHIEF, U.S. SPECIAL OPERATIONS COMMAND

General LINDSAY. Thank you very much, sir. I have submitted a statement for the record. What I would like to do in my testimony today is focus on the three questions that were contained in your letter of April 3.

The first of those questions asked me to describe our military objectives, and specifically address the capabilities that we have and our strategy to match those capabilities with the objectives.

As you indicated when you opened the session, I am a supporting CINC, and therefore, my objectives have to be driven and worked in conjunction with the five regional, or war-fighting CINCs that I support.

When we first established the command, I made it a point to get out with my staff and visit each of these commands, and we made a lot of progress, but it was clear we had to put some structure to that, so I decided to conduct a joint mission analysis. That is, look at our mission, look at the threat posed against that mission, then look at the people, the equipment, the organizations into which we needed to put them, and then how we trained and prepared and equipped that force to support the war-fighting CINCs.

I could not do that in a vacuum in my own headquarters. I had to work it with each of those five regional CINCs. And I decided to start out with SOUTHCOM, because it is in SOUTHCOM where we have the biggest problem in the lower end of the conflict spectrum.

Last fall I put together a team headed by my deputy commander, General Cox. General Woerner also put together a team, and they have worked almost continuously since this past October. We have had a number of in-process reviews, and we will wrap that process up in June.

I have already started a similar effort in the Pacific with Admiral Hardisty. Again, he formed a team and I formed a team. And it will take 2 years to do this, but in addressing PACCOM and SOUTHCOM first, I think when we finish PACCOM, we will be able to have a pretty good feel for what additional things we need to do in addressing the problems at the lower end of the conflict spectrum.

The product we turn out will drive our efforts to build a program for 1992–1997. In order to keep us honest, I brought in a group of people who I thought brought unique expertise to the problem as a "Red Team" to challenge us on what we come up with. I have Paul Gorman, Dick Scholtes, who used to have the Counterterrorist Joint Task Force, and a number of ambassadors on the team.

It looks like it is going to be a very worthwhile effort.

But there is an awful lot going on right now. As you know, the forces in USSOCOM provide a unique range, in terms of flexibility. We have forces that work civic action, nation-building effort, all the way to the finest surgical strike force in the world.

In the last 12 months we have had 370 teams deployed in 43 different countries working on a variety, primarily teaching-training of missions. We have people in Pakistan right now on Project Safe Passage, civil affairs, psychological operations, and special operating forces training people in mine recognition and how to disarm mines, and that sort of thing.

Another area we focused extensively on has been interoperability. And I am not talking now about interoperability just between the Green Berets and the SEALS, but interoperability between the SOF and the conventional forces. Because I think there is a lot of money to be made there.

We have four schools in the command, and we have established a number of new training courses, some designed to train officers going to unified command and service staffs in SOF capabilities and how to employ these forces. And we are making some real money with that.

In terms of joint exercises, I have been reluctant to add any more to an already full joint exercise plate, but I believe our money here is to be made in doing a better job of integrating the exercises that are currently being conducted by the five unified commands.

And what I am talking about here is the fact that, as I look at this, over time, the Special Operating Forces have tended to go their own way. And that has been a function of the scarcity of lift, sea and airlift, primarily airlift. And when you have a big exercise, you want to get as many people on it as you can.

The SOF community tended to conduct their own exercises so they would not have to compete with the conventional forces for lift. I think that is dysfunctional because if we go to war, we are going to go to war with the lift we have now. We need to address those hard issues and how we allocate that lift.

So I got together with Jack Galvin in Europe, talked with General Schwarzkopf, I talked with the people in Korea, and we are working to better integrate our forces in the things they are doing. And I think in the long run it will pay big dividends with that.

We are also working up a war game that we will use to train and educate. The one-day war game will educate the staffs of the unified commands in how to deploy and get the most out of the Special Operating Forces that are available to them.

We are going to run the first demonstration of that with the Pacific Command next month.

Your second question had to do with operational requirements and deficiencies and what we are doing to correct those deficiencies, and moreover, the extent to which the 1991 budget will correct those problems.

When we first established the command it was apparent we needed to take a hard look at the readiness of the forces within the command. And we did a one-time study of the readiness of our Special Operating Forces. I will not brief you on that whole study, but I would highlight just briefly what we found in each service.

In the Army, the Army is moving out and making tremendous strides in the revitalization of their Special Operating Forces. Two problems stand out among the problems that I see. One has to do with the fact you cannot create instant captains and instant senior NCOs; it takes a while to grow them. And the Army is on track doing that, but right now we do have some shortages in those areas that will be fixed over the next 2 to 3 years.

Language has been a long-standing problem. That is, the training of our forces to ensure they have the language they need to conduct their mission.

I do not have time to talk to that in detail, but I do think that we have our arms around that, and I think over the next few years we are going to see that problem, if not completely solved, we are going to make some significant strides in reducing it.

As far as the Navy SEALS are concerned, the biggest problem there is OPTEMPO. They are probably the most over-committed force in my command. We need 60 platoons of SEALS to accomplish the missions they have in the Joint Strategic Capability Plan. We have at present 41 platoons. The Navy has a plan to correct that problem, and hopefully, if everything goes right, that will be fixed over the next 2 to 3 years.

I will talk infiltration/exfiltration later.

In the Air Force, spares is not a problem now, but appears it will be a problem in the future; in 2 to 3 years from now.

In terms of infiltration/exfiltration, I would like to turn to that now.

We have our integrated priority list. The number one item on my IPL right now is JSOARS; a communication system, low-probability-of-intercept/low-probability-of-detection radio, that is a war stopper in a global scenario. We have $30 million in R&D money in the 1990–1991 budget, and we hope to field that system sometime in the mid-1990s.

But to get back to infil/exfil, which is our biggest problem, as you know, it was one of the factors that caused the establishment of this command.

The 1990-1991 budget will not completely fix the infiltration/exfiltration problem, but it will come awfully close.

Turning to fixed wing, we need 38 Combat Talon MC-130s. We have 24 in the program and that will correct that deficiency.

As far as gunships, we have 12 new gunships in the program. That will correct the deficiency. So we have fixed wing pretty well in hand.

Rotary wing; we will get all the PAVELOW MH-53Js we need, we will get all the MH-60Ks in the Army, and we will come up 10 short on the MH-47E, but the MH-47E will be there in 1992-1993.

Now at the present time, we have about $42 million in the 1990-1991 budget for R&D money for the CV-22 Osprey. As we all know, that is not an inexpensive program, and it is a very obvious target in the current process we are going through.

I would just like to share something with you on the CV-22, and I know it is going to be a hard decision. But it would be easy to rationalize and say, you know, we can almost do what that aircraft does by a combination of penetrating tankers and a few more long-range helicopters.

And that looks good on the surface, but it is a little misleading because we are comparing apples and oranges. And I say that because, with the CV-22 we get an agility that you do not get with that other combination. In other words, by agility I mean distance and speed; and by speed, I am talking the difference between 120 knots that you get with a helicopter and 250 knots you get with a fixed wing aircraft.

And most importantly, at the objective area, we have the ability to not only infiltrate, but to exfiltrate forces.

I have certain missions now in a global war scenario that I can get the forces in, but it is a one-way trip. I do not get them out. The CV-22 would give us the flexibility to do that.

I would add one more thing on that. If you look, for instance, at the hostage rescue mission in Iran, and look at the distances involved there, clearly, today we are vastly better prepared and equipped to accomplish a mission like that. But if you look at the scenario and the distance, if you are doing it with rotary-wing aircraft, as we did in that case, you are still tied to going in, seizing an intermediate staging base, moving in one night because of the speed, 120 knots, laying low the next day, and executing and coming out the following night.

It means you have to seize an intermediate staging base going in, you have to seize an airfield to get out. But with the tilt-rotor technology, you can get in and out in one night. The same applies to a number of hostage rescue scenarios we are faced with, where, beyond a certain distance, we are almost tied to fixed-wing airfields. And any adversary would know that.

And with the tilt-rotor technology, we can cut that umbilical cord that ties us to those airfields. That is something we might want to talk about later.

Chairman NUNN. Where do you rate that aircraft, in terms of the new equipment that is now in the development stage, on your list of priorities? Is it in the top two, top three?

General LINDSAY. Yes, sir. I would say it would say it would be right at the very top in terms of new development. Absolutely, at the top.

Chairman NUNN. Thank you.

General LINDSAY. As far as seaborne infiltration/exfiltration, right now our SEALS work with the SDV, the SEAL Delivery Vehicle, which is about like the parachute in terms of technology; it is about 1940s technology. And the problem with it is, it is a wet submersible. And when you look at some of the areas in which we have to operate, the water is very, very cold. And it is very inhibiting, in terms of mission accomplishment, when you look at what they have to do in that particular vehicle.

We have money in the 1990-1991 program to start R&D for an Advanced SEAL Delivery System. We also have money for a SEAL Tactical Insertion Craft for long-range infiltration missions.

So, as I say, infiltration/exfiltration in the 1990-1991 budget is looking very good.

As you know, one of the controversies surrounding the establishment of this command was the issue of a program, and could we build our own program. The decision was made on the 24th of January that we would build our own program for 1992-1997, and the services would cooperate and assist us in doing that. That is on track. We have a request in for 41 additional people we will need to put together the team to accomplish that mission.

In the interim, we have worked with the services, and we worked through the 1989 budget decrement, and we worked through the 1990-1994 POM and we come out very well in all of those. We have no problem with where we are now.

Your final question, sir, had to do with Goldwater-Nichols and the Nunn-Cohen amendment to the 1987 Defense Authorization Act, its impact and any problems it has created for us.

As far as impact on the way we were doing business, there was none, because we did not exist; we were a product of that legislation. And we were established 5 to 6 months after the legislation was passed. We formed the command based on the legislation.

As far as the resource management, fiscal responsibilities for the unified commands, the Nunn-Cohen amendment gave us everything we needed there. And as I indicated, we are now working to build a POM as a result of that.

So we do not have any problems in that regard.

We are working also on research and development and acquisition, which was part of the legislation. This is a little more complicated than the resource management issue itself.

I had the Logistics Management Institute, here in Washington, perform a study for us on how we might best accomplish that mission. I was concerned that we not duplicate or replicate what the services were already doing, but rather, I wanted to focus the service R&D and acquisition efforts on the lower end of the conflict spectrum, and on the equipment needed by our Special Operating Forces.

The LMI study did not give me everything I needed, so I formed my own team and they just briefed me last week. I think we are on track. I am going to need a few more people, but it will not exceed the initial estimate of 600 that I felt we needed when we first established the command.

The final question asked if we had any problems in the implementation of the legislation. Any time you start something new in a bureaucracy you are going to run into some problems. We are working through them, we are working with the services, and we are working up memorandums of understanding and agreement with each of the services. As I indicated earlier, we are working on the Joint Mission Analysis with the other unified commands.

So I do not see any show stoppers or insurmountable problems.

Thank you very much, sir.

Chairman NUNN. Thank you very much, General Lindsay.

Let me just ask you a question to lead off here. And I will ask the clerk to keep the time, as we normally do.

### SPECIAL OPERATION FORCES

There has been a good bit of discussion about using U.S. Special Operations Forces in direct action missions in foreign countries as part of the war on drugs. What is your general view on this possibility?

General LINDSAY. Sir, as you know, I have teams in Bolivia and Peru right now in a training role.

I am an instant expert, I have spent all of 3 or 4 days down there and came home with some opinions. I question what I call the weed-eater effort, that is, trying to cut down plants and focusing at the lower end of the spectrum.

We have a role to play, and I think that role is at the higher end of the spectrum, going after the choke points and going after the hierarchy and the leadership within the narco business.

And what I would suggest, sir, is that I share some ideas with you on that, but I would rather not do that in an open forum.

Chairman NUNN. We will be glad to do that.

General, as you know, the law requires, unless otherwise directed by the President or the Secretary of Defense, the assignment of U.S. Special Operations Command of all Active and Reserve Special Operation Forces based in the United States; have we in fact done that, are all U.S.-based Reserve Special Operation Forces, particularly Air Force units, assigned to your command as required by law?

General LINDSAY. Yes and no. I am going to speak out of both sides of my mouth.

First of all, in the Army and the Navy, there is no question, they are all assigned to my command. But, even in the Army, you have a structure in your Continental Armies that provides support or administrative assistance, and so forth, for those forces.

We are in the process now of setting up First SOCOM at Fort Bragg, as a major command within the Army, and taking it out of Forces Command. That will then put all Active and Reserve Special Forces Units in CONUS in one command in the Army. That already exists in the Navy.

Now in the Air Force, it is a little more complicated. I have operational command of all the Air Force Reserve forces. Now, because of the Air Force structure, and the way they manage their Reserve component forces, the 4th Air Force, for instance, has day-to-day administrative logistical responsibility for the 71st SOS, a squadron in Tucson, Arizona.

So, technically, on a day-to-day basis, if they wanted to, they could say, the 71st belongs to us. But they wear my patch, and as far as they are concerned, they work for me.

And I found that out, by the way, in preparing for this testimony, because I did not realize we had this little technicality. We are going to get that sorted out. But there really is not a problem with that as far as I am concerned.

Chairman NUNN. Admiral, switching to you, in your jurisdiction. In a recent Army Times article Elliott Abrams, former Assistant Secretary of State for Inter-American Affairs, charged the U.S. military chain of command with trying to bury incidents of harassment of military personnel and their families in Panama by the Panamanian Defense Forces in order to achieve a business-as-usual relationship with General Noriega.

What do you say about this?

Admiral USTICK. Well, I would categorically deny that. I do not think we have made any attempt to do any burying of harassment activities whatsoever. We have been forthcoming and put those out, made them available as they have occurred. We routinely report on those incidents as they do occur.

So I would have to disagree with him.

### SAFETY OF MILITARY PERSONNEL AND FAMILIES

Chairman NUNN. What measures have you taken to ensure the safety of military personnel and their families?

Admiral USTICK. We have taken several steps just to make sure that they are secure. Some of the things that I would list for you is we are trying to move all of the people that are off bases, that are in the city down there, either on base or we will send them home early. We have a program that is doing that.

We had 2,450 families living off of the base in March 1988; we are down to 776 families now. And that number will go down to approximately 400 families in the summertime. Those families that will remain are primarily people who are married to Panamanians and civilians who have been working for a long time in Panama and are very comfortable in that environment.

But that is one thing that we have done, we have moved families out.

The second thing we have done is we have changed tour lengths so that now there is a shorter tour length, with the idea of making the force structure that is in Panama a force structure of military members only. Since that tour length policy has been in effect, we are seeing some initial positive results.

We have made a strong effort to identify for our people through an information program just exactly what is going on and what their rights are as part of the treaty. So we have had a very strong education program going on to educate our people.

We have brought some additional MPs and other folks down to Panama, primarily for base defense.

We are very comfortable that these steps are moving in the right direction to provide proper protection for our people in Panama.

Chairman **Nunn**. Senator Thurmond.

Senator **Thurmond**. Thank you, Mr. Chairman.

### CRITICAL SHORTFALL IN SEALIFT

General Schwarzkopf, General Cassidy indicated in Tuesday's hearing that sealift is a critical shortfall in our ability to reinforce our theaters of operation. In your statement, you indicate that the deficit in sealift for the Central Command will double in the next 10 years. Recently, the Navy submitted a report, which indicated that new, fast sealift capability will require several years of research.

My question is, do we want to wait several years for fast sealift ships, or is it more important to get more sealift now, using current technology?

General **Schwarzkopf**. Senator, let me start by saying that I would take all the fast sealift I can get right now, obviously. There is SL-7 technology out there, ships that have been in being for quite some time. I used them when I was a division commander to load my tanks and armored personnel carriers. It is a great technology and it certainly gets us there a lot faster——

Senator **Thurmond**. Speak in the microphone there so we can hear you better.

General **Schwarzkopf**. I said the SL-7 technology is out there right now and it is a great ship. I have loaded tanks and armored personnel carriers in it as a division commander, and it would get our stuff there a lot faster, if we had them right now.

So I certainly would support getting as much fast sealift as we can at the present time.

There is also, though, a technology out there called surface effect sealift, and of course, if we get those kind of ships, then that will really get the stuff over there fast. So I guess I would answer out of both sides of my mouth, again, just like Jim Lindsay did, and say I would like to have fast sealift now, and I would also like to have the development of fast sealift so we get better capability in the future.

Senator **Thurmond**. Have you answered my question?

General **Schwarzkopf**. The answer is, yes, sir, in every area.

Senator **Cohen**. He said he would like the MX and the Midgetman together. [Laughter.]

General **Schwarzkopf**. That is definitely not my field, Senator.

Senator **Thurmond**. I believe you ought to be in politics. [Laughter.]

### READINESS VERSUS FORCE STRUCTURE

General Lindsay, previous commanders when asked to give their priorities in view of the budget constraints indicated that they would choose readiness over force structure cuts. Your command is unique and people-intensive. Are your priorities the same as those of the other commanders?

General **Lindsay**. Yes, sir. I would rate—in priority—readiness, modernization, and then force structure, but I would have to qualify that to point out that the revitalization of the Special Operating Forces began as a result of actions by this committee, among others, and that process is just now really getting underway.

And if you look back at the big buildup in defense in the early eighties, we were not equal partners in that process. And so, as we look at constraining and cutting back now, I do not think we ought to be equal partners in this effort as well.

Moreover, when you look at my budget, it is just slightly under 1 percent of the total DOD budget. So, proportional cuts in that 1 percent have a very, very severe impact on the balance of the force.

### MILITARY EXERCISES

Senator **Thurmond**. Admiral Ustick in your statement, you cite the need for military exercises as a means to help improve host country readiness. In these times of constrained budgets, can we afford to spend the operation and maintenance funds that are eaten up by these exercises or could these funds be more effectively used in maintaining the readiness of our forces?

Admiral **Ustick**. I would say to that, Senator, that we really do need the exercises. In our particular theater we talk about access; access to region's militarys and so forth. We need the exercises for our training. We also need the exercises for access.

Our exercise program, which is in this particular timeframe is funded at about $38 million. We feel that money is absolutely essential. As we lose security assistance funding, to maintain access, to be able to get into places and do things, to be able to exercise and train with our neighbors in that part of the world, we need those exercises.

So, I would come down in support of exercises as being very vital to us in our area.

Senator **Thurmond**. Thank you, gentlemen. Thank you, Mr. Chairman.

Senator **Exon** [presiding]. Thank you. Senator Kennedy.

### SAFETY AND SECURITY OF PANAMANIAN FORCES

Senator **Kennedy**. Admiral, I notice the chairman asked you about the safety and security of the Panamanian forces. I also want to express my concern. Part of the problem was that the last incident involving the beating of an American serviceman, it took a month before the Defense Department ever filed a protest, and that raises some real questions about whether they are putting things under the rug or whether we are really facing up to them.

So, these kinds of continued concerns we have inquired from General Woerner and others about this. I heard your explanation of the movement of the personnel back to the bases, which I think makes a good deal of sense. But it is that kind of circumstance or situation that raises the real question whether we are facing up to this problem.

Admiral **Ustick**. I understand that, Senator. I appreciate that viewpoint. Let me talk about that particular case for just a second.

We are talking about Petty Officer Nueves.

Senator KENNEDY. I would love to hear it. I am going to have a limited period of time here, and I want to get back, if I could. We can visit maybe a little bit about it, but I followed that case down there and have heard the explanation.

General Lindsay, I want to welcome you back to the committee. I value very much the significant amount of time that you were kind enough to give me down looking at the Special Operations Forces at Fort Bragg, and am enormously impressed both by your comments here today and the case that you make and also by the quality of the personnel there and also how you have taken command of this extremely important and significant challenge. And I appreciate the comments that you made about the Osprey, too. I think that has been a very important comment, and I know that the chairman's questions to you were questions that I was interested in, and it is good to have you on the record.

### MEUSOC

You are familiar with the MEUSOC, the capability that the Marines have for special operations under certain circumstances that might involve a maritime incident. We talked about this, but I would like to hear it on the record about how you work with the particular capability and how it is integrated in your own kind of both thinking and in your commands. They are obviously enormously capable and able both in terms of the training and the equipment that they have, and it certainly seems that they provide an additional asset for you as the commander of the Special Operations Forces.

But how does that work in?

General LINDSAY. General Gray and I are old friends, and we worked together before as division and corps commanders and we are working together on this.

First of all, he has established a MEUSOC, as he calls it, Marine Expeditionary Unit Special Operations Capable, on the east coast and the west coast, and they deploy for 6-month periods of time.

He has a training facility on the east coast and west coast, and he works with the Los Angeles Police Department and with the FBI hostage rescue folks for training.

At the present time I validate those forces, and I also have a course for our in extremis counterterrorist forces. (Those are the people we use to augment our primary counterterrorist capability.) Several marine instructors have attended this course.

I think we need to be very careful that, just as I have to keep telling the people I have in the theater, we do not equate the dedication and enthusiasm of the in-extremis forces to capability.

In open session I cannot really talk to that. But we need to be very careful there that we do not, as we have sometimes done in the past, equate enthusiasm with readiness. It is a good force. It can augment the forces we have, and we are working together right now to see how we can best do that.

Senator KENNEDY. Let me ask. No one can see those forces and the high degree of training and capability that they have. Can you keep that edge without utilizing those forces?

General **Lindsay**. That is a problem. General Gray and I have talked to that. I assume you are talking about the deployment for 6 months at a time. You put them on a ship. Can they maintain the capability on the ship? I do not really know. That is something General Gray and I are going to have to work together and sort out.

The other problem I was concerned about is the fact that in our in extremis forces in the overseas areas, they are normally there for about 3 years, some of them longer than that.

In the MEUSOC, by rotating that force every 6 months—and I do not have enough experience right now to say how well we are going to be able to maintain that proficiency again—it is something that General Gray and I need to work.

### SILKWORM

Senator **Kennedy**. General Schwarzkopf, let me ask you what your reaction to the Iranians building the additional Silkworm capability along the Iranian coast. Clearly it took certain kinds of capability for the American forces in the gulf at the time they had the capacity, the Silkworm capacity in the Straits of Hormuz. Now, as I understand it, they are building it all along the Iranian coast. What is that going to mean if there should be enhanced conflict in that area in terms of danger to American forces?

General **Schwarzkopf**. Senator, there is obviously only one reason why they built those Silkworm sites, and that is to control the shipping that goes through the gulf. That is the primary target they are capable of functioning against.

I want to tell you that causes me a lot of concern, but it causes all of the nations in the gulf a great deal more concern. They are very quick to point out to me that there is no war, but also no peace over there, and they are absolutely convinced that the Iranians are going to rearm as rapidly as they can and just as fast as they rearm, they are going to go ahead and begin hostilities again.

Senator **Kennedy**. Do you have information about their increased capability or numbers of Silkworms?

General **Schwarzkopf**. We keep very close track of everything they do, even right down to today, sir.

Senator **Kennedy**. My time is up. Thank you, General.

Chairman **Nunn** [presiding]. Thank you, Senator Kennedy. I believe Senator Cohen is next.

Senator **Cohen**. Mr. Chairman, in your opening remarks you expressed the committee's collective sadness over the loss of the sailors in yesterday's incident, and I share in your remarks, but point out that on March 12, 11 Green Berets were killed in a helicopter accident in Arizona, and I wanted to indicate that Senator Kennedy had an opportunity recently to give an address at Fort Bragg, which I put in the record, and I think perhaps you might share that with some of the folks in the Special Forces. It is a very moving address.

Chairman **Nunn**. Could we put that in the record here?

Senator **Cohen**. We have it in the Congressional Record. We could put it here as well.

Chairman **Nunn**. Without objection, it will be.

[The information follows:]

### MEMORIAL FOR GREEN BERETS

Mr. COHEN. Mr. President, on March 12, 11 Green Berets from the 5th Special Forces Group were killed in a helicopter crash in the desert in Arizona. This tragic accident serves as a stark reminder of the risks undertaken by the men in our special operations units both in war and in peacetime.

According to information provided to me by the Congressional Research Service, the 5th Special Forces Group suffered 546 fatalities and 2,704 wounded during the conflict in Vietnam, a very high casualty rate for a unit that had an average annual troop strength of roughly, 2,800 during its 8-year involvement in the war. Out of an estimated 850 Distinguished Service Crosses awarded in Vietnam, 100 went to members of the Special Forces—a figure far out of proportion to their numbers. And today members of the Special Forces continue to accept extraordinary risks in the defense of their country through assignments as trainers and advisers to Third World countries where combat with guerrillas and terrorists is an almost daily occurrence. For example, 2 years ago Special Forces Staff Sgt. Gregory Fronius was killed in a guerrilla attack on a base in El Salvador, in which it appears that he was deliberately singled out by the insurgents. And, as last month's tragic helicopter accident indicates, even the training for their unique missions can involve an unusual degree of danger for those who volunteer for duty with Special Operations Forces.

It is important that we do not take for granted those who volunteer for unusually rigorous and dangerous military assignments. These individuals do not receive great financial remuneration. The least we can do, it seems to me, is to let them know that we appreciate the sacrifices and risks that they assume for the benefit of our country.

In that regard, Mr. President, I would like to take note of Senator Kennedy's recent remarks at a ceremony held at Fort Bragg, NC, to honor those killed in last month's tragic helicopter accident. Senator Kennedy has been a leader in ensuring that the men and women of our Special Operations Forces receive the consideration and appreciation they deserve, not only in terms of recognition, but in terms of policy and budgetary considerations. As the sponsor of a number of initiatives to improve the capabilities of U.S. Special Operations Forces, I have been deeply appreciative of Senator Kennedy's support and involvement. He has repeatedly been willing to devote a great deal of time to these matters, despite the fact that there is no public acclaim to bask in and these issues do not involve the big ticket defense items that are the focus of so much attention in this body.

Mr. President, I would ask that Senator Kennedy's statement at the ceremony honoring the Green Berets who were killed last month be entered into the Record in its entirety.

There being no objection, the remarks were ordered to be printed in the Record, as follows:

### STATEMENT OF EDWARD M. KENNEDY, MEMORIAL FOR GREEN BERETS, FORT BRAGG, NC, MARCH 21, 1989

We are here today to mourn the loss of 11 brave men—men of the Green Berets.

My brother Jack had a very special relationship with the Green Berets. He was involved in their founding. He understood the importance of their role in meeting the new threats that now challenge our security. He, as I, sincerely believed that to deal with these new threats, we needed the most dedicated, the most well-trained, the most selfless soldiers. These are the Green Berets.

Because we are at peace today, people often fail to recognize the sacrifice of those who offer their lives for their country. But these men are no less gallant, their sacrifice no less noble, their dedication no less important than during the war. Indeed, it is exactly because of their sacrifices that we are able to maintain the peace.

Our peace is not an accident. Our freedom does not come without a price. It is the consequence of the enormous dedication and frequent sacrifices of the men and women of our armed services. And it is particularly the consequence of those, like the 11 men we recognize today, who offered their lives in defense of their country. We honor those who give their lives in training equally with those who give their lives in war.

In his address to the graduating class at the U.S. Military Academy in 1962, President Kennedy spoke of the Special Forces and their essential role in defending freedom against war by ambush and infiltration instead of combat and aggression.

He had put the Special Forces in Green Berets as a mark of excellence and honor, and I know he would have been honored by the green beret that you placed on his grave in Arlington.

In closing his remarks on that day 27 years ago at West Point, he spoke in words that are equally appropriate today: "You have one satisfaction—however difficult these days may be—when you are asked by the President of the United States or by any other American what you are doing for your country, no man's answer will be clearer than your own."

I am honored to be here with you today and to join in this tribute to these 11 heroes. They have served their country well.

Senator COHEN. Also, the chairman indicated—General Schwarzkopt, I was going to say when you were talking about leaving the military, which I hope will not be soon, that Willard Scott will be ready for retirement from NBC.

General SCHWARZKOPF. I would like to have his salary, Senator. I assure you that.

Senator COHEN. After the answer you gave Senator Thurmond, I think you could even predict weather with equal ability. [Laughter.]

The chairman indicated that the committee really did not have much to do with the creation of CENTCOM, and I went back to try and recollect that from time to time presidents, including President Bush, will reject the notion of congressional interference with presidential powers.

And I might say that there is probably a legitimate argument to be made that Congress from time to time does overstep its boundaries and intervene too much. But I go back to 1980 and 1981 in which this committee played a very important role in trying to resolve some of the conflict between EUCOM and PACCOM.

And, as a result of the hearings that were held, they were very contentious, very bitter, and acrimonicus at times. We had a situation where EUCOM, PACCOM now equals CENTCOM, and I think that the committee played a pretty constructive role in trying to resolve the jurisdictional disputes that existed so that I would say that is a positive contribution, Mr. Chairman.

### PREPOSITIONING IN MILITARY CONSTRUCTION

General, you talked about the need for prepositioning in military construction. How does that fit in with the rising sense of nationalism in that region of the world? Are we going to be in a position to have any kind of substantial military construction in view of the political dynamics in that part of the world?

General SCHWARZKOPF. I could answer this more completely in closed session, but let me just say that in several of the countries over there, we do have prepositioning right now. We have very favorable agreements and I am pretty confident we will have no problems in the future.

We watch our area very carefully, and I assure everyone that I will be the first to pull the plug on any expenditure of funds if I think there is danger in the area.

But I think it is important to understand that we get a great deal of support in the gulf area from almost everyone out there. Some of it is very vocal, some of it is not quite so vocal. That is a recognition of the reality that they live right across the gulf from some pretty crazy folks, and anything they might do could act as a lightning rod to bring the wrath of a bunch of crazy terrorists down on them. That potential affects almost everything they do. Throughout the gulf operations, we got substantial support from our friends over there.

Bahrain in particular as you know, stands right up and says "We are proud to have the Americans here. We are proud to support them, and we are on their side 100 percent." They are very, very good friends, and they will do everything they can for us.

Senator COHEN. Admiral Ustick, you indicated we need to show the same commitment to Cristiani as we did to Duarte, and I agree with you, but it would have to be qualified. I think Cristiani has not shown the same commitment to the policies of Duarte in terms of promoting human rights and reducing death squads—if he is going to enjoy the support of the United States, so I think that works both ways.

There is not going to be a commitment unless there is a commitment on his part as well.

I would like to turn, if I could, in the few minutes I could to General Lindsay.

My understanding is you are having some difficulty in getting an adequate number of qualified personnel to assist you in the preparation of the budget for Special Operations Forces. In other words, the green eyeshade folks are not coming over in sufficient numbers to give you that capability of putting the budget together, and that is critically important in this particular case.

We fought very hard to get you that special authority, that separate budgetary authority, and there is some notion that perhaps there are folks in the Pentagon that are not eager to see you succeed in that.

On the one hand, should you be successful, there may be other commands that might demand similar treatment, and it would not fall on harsh terms in the Pentagon if you were to fail in this regard.

So, can you tell us basically what your problems are?

General LINDSAY. Yes, sir.

When I first looked at this whole process, I felt that we needed about 600 people in the command, and that included a capability to do the resource management function and build an acquisition team.

As you know, at the time we were standing up this command was the very time everyone was looking at headquarters and trying to cut back in headquarters strength, so we were swimming upstream, so to speak. I compromised and said since I am not really certain as to some of these numbers, I will go with a figure of 472 initially.

I went with that figure and worked with that; I think I am up to 460 people or thereabouts right now. As I look at the resource management side of this, I need about 41 more people than I have now, and I have submitted paperwork to get those 41 people, and I am confident and I am hopeful that is going to happen.

I mentioned earlier that I am sort of swimming upstream because of the Vander Schaaf study of headquarters. My proportionate share of the Vander Schaaf reduction was 28 spaces. So, on the one hand I am building up, but then I take this cut.

I am working with the Department of Defense with the Chairman to protect us from those cuts, given the nature of a newly emerging command. I needed 41 spaces for resource management.

As a result of a study we just completed, I am going to need about 88 additional spaces for the acquisition team that I have got to put together, and again I am not talking about duplicating or replicating what the services are already doing, but simply to build the structure I need to develop an acquisition capability. To summarize, I need a total of 129 spaces for the resource and acquisition missions.

I cannot talk to whether people want to see us succeed or fail, but I do know that right now it is a tough time to get people, and we are fighting that battle every day.

Senator COHEN. My time is expired.

Chairman NUNN. Thank you, Senator Cohen. I believe Senator Exon is next.

Senator EXON. Mr. Chairman, thank you very much, and welcome, gentlemen. I appreciate very much the fact that you are here giving us some tremendously important testimonies. Let me pursue some things a little bit further that have been talked about a little bit this morning, but maybe we have to get into more definitive answers to some of these things in closed session. But I am going to make an attempt to try and clarify where you think we are in certain areas today.

### POLITICAL SITUATION IN PANAMA

I am not sure—there is just the attitude we have to sit back and wait and see what happens in Panama. Is the wisest action at least at the level where we have to try and plan for the future.

Let me ask you this, Admiral. In your view, what is the political situation in Panama today with regard to the attitude of the people of Panama to our forces there?

Admiral USTICK. At the present time, we are perceived as we have been for a lot of years as being a friendly force. We have seen minor changes as the result of some of the economic activities we have undertaken. This has affected some of the people, but by far the people are friendly to us at the present moment. We are not seeing any reaction at that level against our presence.

Senator EXON. What are your relations with Noriega today?

Admiral USTICK. That is very easy. Zero. We have nothing to do with him. In fact, my boss, General Woerner, has been specifically prohibited from having any contact with General Noriega.

Senator EXON. Then it is clear that the leader of Panama does not share in the same general attitude that you just expressed with regard to the people of Panama?

Admiral USTICK. Not at all. I think he has his own agenda. But, of course, when I talk about the people, I am talking about everybody but that particular individual, and that is where I thought your question was directed.

In the sea around us the people are very friendly. Noriega is not.

Senator EXON. How do you see the attitude of the people in Panama as a whole? What do you think their attitude is toward

Noriega? Are they disappointed that elections are not being held now or are they taking a wait and see attitude as well?

Admiral Ustick. Well, of course, the elections are going to take place here on the 7th of May. I think there is going to be a lot of interest in the elections.

If you believe polls—and you can have as many polls as you want taken around the country—a recent Venezuela poll showed that around 65 to 70 percent of the people really did not go for Noriega. In fact, right now they would vote for the other candidate, Endara. But it remains to be seen.

I think they are very much interested in the elections, even though the opposition has claimed that they think the elections are going to be rigged. They still want to participate. They still think it is a chance for some movement in the events down there.

So, you are going to see the people and the opposition trying to do something for that election, regardless of the outcome.

Senator Exon. That was my next question. I suppose you cannot give a direct answer to this, but a major concern is will these elections be fair or will they be rigged. If they are rigged, then it seems to me that it would further destablize the whole area. Would you not agree?

Admiral Ustick. Let me answer the first part. As we approach the elections, I would say that our view is the same as the opposition. And, in fact, there is another group, Capel, (Center for Electoral Assistance and Promotion) that is out of Costa Rica that was in the process of coming down to review those elections, and they have decided against that.

When I left on Monday, they had declined because they felt like there really was not a whole lot they could do with the way the election process had gone. They are of the opinion that it probably will not be that fair, and I think that is our analysis as well.

Now, the election fraud problem will be very muddy. I do not think that it is going to be obvious, because we are not going to have a lot of folks down there to determine exactly what has happened. So we are going to have sort of a difficult situation after those elections. It will not be clear-cut, I do not think.

We are not going to have proof that you and I would agree as proof that massive fraud has gone on. I do not think that. Probably because we will not have a lot of folks to look at it. But, as I say, the people still want to participate in it, and they still want those elections to go on.

Senator Exon. Admiral, how confident is the Southern Command that it can keep the Panama Canal open against unconventional warfare methods and techniques and what military actions are available to us to fulfill this mission?

At what point in your opinion should they be applied? I am getting at the whole security effort on the canal.

Admiral Ustick. Let me take it from the top.

Security in the canal against a conventional threat is something that we feel very comfortable in being able to handle. Security against a terrorist threat or unconventional warfare attack is much more difficult.

As is true anywhere in the world, even with troops every 15 inches along the canal stopping a terrorist or unconventional attack is very difficult.

Chairman NUNN. Would the Senator yield on that point?

Does that not mean that we have to have generally speaking over a period of time to be successful warding off that kind of threat the general support of the Panamanian people?

Admiral USTICK. That is certainly helpful, absolutely. It would be certainly helpful; if we were living down there and we did not have that support.

Chairman NUNN. Would it be too strong to say that defending the canal against unconventional threat over a period of years if you had an aroused population antagonistic to the United States would be almost impossible?

Admiral USTICK. It would be very close, Mr. Chairman, very close.

Senator EXON. I think, Mr. Chairman, that the point you just made, which I would agree with, was probably one of the driving forces behind the action of the Congress before I came here with regard to the Panama Canal, that it could not be secured.

My next question is with regard to ships coming through, laying something or dropping something off. Is there not even more of a threat of intrusion through the jungles there than almost anywhere along the canal?

Admiral USTICK. That is correct. It is a long canal; and access through the jungle is a possibility. We would certainly be looking at key places we would want to defend against that kind of an attack.

Senator EXON. Thank you.

General Schwarzkopf and General Lindsay, I hope I did not indicate in my questions I was not concerned, that I did not think you were doing a good job where you are. If I have a second round of questions, I will try to get into that. Thank you, Mr. Chairman. My time is up.

Chairman NUNN. Thank you, Senator Exon.

Senator McCain.

Senator MCCAIN. Thank you, Mr. Chairman.

### REDUCTION IN SOVIET BUILDUP

General Schwarzkopf, have you seen a reduction in Soviet buildup in the region under your operational span or any reduction in their offensive capabilities?

General SCHWARZKOPF. Quite to the contrary, Senator, just the opposite. Not only is there no reduction, but there is a continual increase in presence in the area, and there is also an increase in both their diplomatic and press blitzes in the area.

As a matter of fact, they are there in force.

Senator MCCAIN. Admiral Ustick, have you seen any reduction in Soviet aid?

Admiral USTICK. No, Senator, I have not. There has been no indication in the information we have that we have seen any falloff in that supply.

Senator McCain. I think it is interesting for the record that every single person with operational responsibilities, every military commander that has come before this committee in the last three hearings, all of them have not only seen no reduction in Soviet offensive capability or modernization or activity in their theaters of command, but they have seen increases.

It appears to me that they have seen increases in Soviet activity, increases in modernization and offensive capability and across the board offensive activity on the part of the Soviet Union.

Sooner or later we are going to have to see some kind of correlation between Mr. Gorbachev's rhetoric and being translated into action, and I would suggest that that should be pretty soon. And I think the American people should be made aware of the opinion of the military commanders as to what the level of activity in the military fashion that is being conducted by the Soviet Union at this time.

General Lindsay, I agree with you about the V-22, not only because of the reasons you stated, but I view it similar to the Harrier situation which we fought some years ago. It is a new generation of technology and one that I think should have the highest priority in that fashion.

Admiral Ustick, I am somewhat in disagreement with you about Panama, because the situation that exists today, is that in order for General Noriega to win that election it will have to be massive fraud. I think the polls indicate that the overwhelming majority of the Panamanian people are in disagreement and do not support him. I think he is going to have to engage in massive fraud.

And although he is refusing tourist visas and is trying to cut down on the international presence there, I think it is going to be obvious. And I hope that it is not. I hope it is a free election. And I hope if it is not a free election, that it is, indeed, obvious, because I think that will help us in the long run in making sure the Panamanian people receive a free and democratically elected government, as we want for all nations.

### SUPPORT OF FMLN BY SANDINISTAS

Admiral Ustick, have you seen an increase in the support of the FMLN by the Sandinistas?

Admiral Ustick. In recent days we have seen some indications that in fact that has gone on, and probably in closed session I could say more about that.

Senator McCain. I think the indicators are, particularly in light of the assassination of the El Salvadoran attorney general, the attempted assassination of the family of the vice president, and other activities, that clearly the FMLN has stepped up its activities, and the support from the Sandinistas to the FMLN is on the increase; which certainly is an indicator of a lack of sincerity on the part of the Sandinistas in their professed desire for peace in the region.

On April 25, the Sandinistas are supposed to take some steps in setting up mechanisms for a free election in Nicaragua next February.

Have you seen any compliance so far with those requirements?

Admiral **Ustick**. Only minimum compliance. In fact, the steps that they have taken, up to this particular time, have been very few. And I think that the opposition there is complaining vociferously at some of the proposed changes in voting-election organizations, which have just recently been taken—in fact, just last Tuesday were made known to us.

I will have to take a careful look and see what those are. But to answer your question, I do not think they have made a big movement.

Senator **McCain**. I would appreciate it if, on April 25, which is the date for the first step in their compliance with this latest agreement, you would provide the committee with an either classified or unclassified assessment of your view as to the degree of Sandinista compliance.

And along those lines, I agree with your statement that we should support a freely elected government, as far as Mr. Cristiani is concerned. I also agree with my colleague from Maine's statement, that we have every right to expect observance of human rights.

I would suggest that that becomes more difficult when the level of urban terrorism has been stepped up, to the degree that it obviously has on the part of the FMLN. It will be more and more difficult to control those people in power and authority who see their elected leaders—I have forgotten how many mayors now have been assassinated in the last few weeks——

Admiral **Ustick**. In the last few weeks I don't know, but in the period since March 1988, 11 officials have been killed and about 80 recently resigned.

Senator **McCain**. Eleven mayors killed and 85 have been intimidated to leave office. And the assassinations are not only of the individuals, but attempted assassinations of their families.

So, all of this, with the support, encouragement, and operational planning done in Managua, Nicaragua. Something that seems to be blatantly ignored by the majority of the American people and media.

### STRATEGIC AIRLIFT AND SEALIFT

General Schwarzkopf, in your written statement, I see a strategic airlift pie chart and a strategic sealift pie chart. The one on airlift looks pretty good for the year 2000, a very small deficit. The one for strategic sealift continues to increase between 1989 and the year 2000, and increases significantly in that deficit area.

What do we need to do, General?

General **Schwarzkopf**. Well, Senator, the airlift is projected to be good by the year 2000 because of the C-17 program.

I think that General Cassidy has a very good statement on the national sealift policy, that we need to do something to revitalize our own Merchant Marine. It is not a role that the military, I think, can assume to build all of the needed sealift and just have it sitting there. It is a problem with our Merchant Marine, with our Merchant Fleet. Its size is declining, and it looks like it is going to be about half as big by the year 2000 as it is now. That compounds our problem.

I think the sealift situation in our country is something that needs to be addressed from a military standpoint; but I cannot comment on it, of course, from a commercial standpoint.

Senator **McCain**. It also has to recieve some budget priority from the Department of Defense, would you agree?

General **Schwarzkopf**. I would agree with that.

Senator **McCain**. Thank you, Mr. Chairman.

Senator **Exon**. Thank you, Senator McCain.

Senator Gorton.

Senator **Gorton**. Thank you, Mr. Chairman.

### PANAMANIAN ELECTIONS

I would like to ask a few more questions on the subject covered by Senator Exon and by Senator McCain. Because, as was Senator McCain, I was somewhat disturbed at one part of your answer with respect to the upcoming Panamanian elections.

And I think we start, do we not, from the proposition that, according to the best polling information we can get, if a free election were held in Panama today, the principal opposition candidate would beat the Noriega candidate by a margin of close to 3 to 1?

Admiral **Ustick**. That is very close, yes. The percentages, as I recall, are around 65 percent for Endara and for Duque, are down in the 20 percent range. So 3 to 1 is a good number.

What I would just add to that is, with Senator McCain having just left, was that there is no doubt, as I said, that there is going to be a lot of fraud involved with that. All I was making the comment on is that, it may be muddy for us because we are not going to have a whole lot of——

Senator **Gorton**. I wanted to follow up on that. You do not, under these circumstances, expect this election to be a free and a fair election?

Admiral **Ustick**. Oh, no.

Senator **Gorton**. In spite of the desires of the people of Panama?

Admiral **Ustick**. That is correct. I think that there will be fraud involved.

Senator **Gorton**. If we were to call you back here 2 weeks after that election were over, in the latter part of May, and this is where I was somewhat disturbed with your answer, would you not feel confident in providing us with answers to questions about the degree of fraud or unfairness involved in that election? Are your intelligence sources not good enough for you to feel that you can come to a confident appraisal of those elections?

Admiral **Ustick**. I think we will have a very good feel, or a reasonable feel as to what happened after we see the election take place, on what we will be able to determine.

The way the elections are structured there right now, the way the process is structured, it is very difficult for anybody to move from province to province during the election process to monitor what exactly is happening.

But I would say, just in open session, we will have a fairly good feel as to what happened afterwards. What my point is, it will probably not be openly obvious on that particular day as to what is going on.

### SECURING THE CANAL

Senator **Gorton**. Senator Exon and the chairman asked you what seemed to me to be one half of an extremely relevant question. And that was your estimate of your ability to secure the canal against non-traditional or terroristic forms of attack, and the degree to which our ability to defend the canal would be hurt if we lost the support of a majority of the people of Panama.

The other side of that coin, the question that I would like to ask you is, do you feel confident in the future of the Panama Canal, of its openness and fair management, should we carry out, year by year, the changes required by the treaty, if, through all of that period of time, including the transfer of full authority, the Government of Panama is still the government of General Noriega or one similar to it?

Admiral **Ustick**. We are going to have to look at it. Treaties are made between countries that are trying to get along with one another, and that is of course where we started with the Panama Canal Treaty. We were all getting along with one another at that particular time.

We still have another 10 years or so of the life of that particular treaty. We are going to have to watch very carefully what happens over that next 10 years.

There is a protocol that is involved with that treaty that makes us a guarantor of the neutrality of the canal and its operation for all, even past the year 2000.

So we will have to watch and see what happens through the governmental process in Panama, and make our determination as to how we think it is going to be operated, as we see what happens. That is downstream for us to take a look at.

If the canal is allowed to operate with the people that are there in Panama to operate it, allowed to operate without interference, then the technology is there and the people and the training are there to make it work. But we will have to watch it.

Senator **Gorton**. Admiral, that answer was both diplomatic and enlightening. And I thank you for it.

General Schwarzkopf, could I ask a general question summarizing all that you have said about both your pride in your concern for changes which are taking place there at the present time?

Do you feel now, as a commander, that you have forces and alliances sufficient to carry out your responsibilities as commander and our responsibilities as the United States in the area of your command?

General **Schwarzkopf**. That is a big question, Senator.

I feel that I have, depending upon the scenario, adequate forces to carry out my military responsibilities in the event of open conflict in the area.

I am greatly concerned about our ability to maintain the goodwill we have in the area, based upon the direction that our security assistance programs are going.

And I might add, as I am sure you know, the CINCs have very little, if any, role to play in that; not only in the amounts of money, but the allocation of where it goes.

So I have no control over that. It is up to someone else, and it is an area where I have great concern.

We have excellent goodwill over there right now. But I am afraid that unless we are willing to continue to demonstrate our presence over there, things are going to erode. I guess I cannot really give you a feeling of complete euphoria, but we have demonstrated we can do the job under the types of conflicts that we have had to deal with in the last couple of years. Yes.

Senator GORTON. Thank you.

Chairman NUNN. Thank you, Senator Gorton.

I believe we have now had the first round. I would like to go through all the open session questions, and then go into a brief closed session if we could.

Senator Cohen.

Senator COHEN. Mr. Chairman, I think I should initially just correct the record. I misunderstood your opening statement about the role of Congress. Apparently, you did indicate that this committee played a pretty active role in the creation of CENTCOM, so I think the record ought to be revised. And I will do that to make sure that that is corrected.

I have a number of questions I would like to ask, but I would prefer to do them in the closed session.

Senator EXON. Mr. Chairman, in the interest of time, I would prefer we move to close, and I will hold any questions I have for closed session.

Chairman NUNN. Let me just ask one question, and it is my final question in open session.

### TRAINING AND EXERCISES OF FORCES

General Schwarzkopf, you have a very large responsibility, but you have relatively little control, as I read it, jurisdiction over the training and exercise of the forces that you are allocated.

How can you prepare for your war-fighting mission without the training and exercise control that most of the CINCs have?

General SCHWARZKOPF. Senator, the best way that I have to prepare for the execution of my missions is exercises. If I cannot exercise the forces, then I cannot evaluate their ability to carry out that mission, and I cannot be sure they can operate in a coalition environment with the people they are going to have to operate with and in the environment they are going to have to operate in.

So, right now, the only way I have to judge that is by exercises.

Chairman NUNN. But you have very limited authority, do you not, in doing that?

General SCHWARZKOPF. As you know, Senator, the services control their exercise funds, and I have to depend upon the services to give me the exercise funds in order to exercise those forces. If they do not give me the funds for my exercises, then I cannot exercise their forces.

Chairman NUNN. Well, how is that working?

General SCHWARZKOPF. In some cases it is working pretty well and in some cases it is not working too well, Senator.

Chairman NUNN. Where are you having the most difficulty?

I am asking your personal view here.

General Schwarzkopf. It depends upon which exercise you are talking about, Senator. Sometimes I have a little bit of a problem with the Navy, getting funds from the Navy for Marine Corps participation in our exercises.

I would openly say that in the past, my predecessors had problems with the Army, getting money to exercise Army forces, because various commanders put the money elsewhere.

The Air Force, I will say, has been very good about the exercises to date.

Chairman Nunn. So you have had the most difficulty with the Navy and the Army?

General Schwarzkopf. Yes, sir. [Laughter.]

Chairman Nunn. Senator Cohen.

### ORGANIZATIONAL STRUCTURE WITHIN NATIONAL SECURITY COUNCIL

Senator Cohen. I do have a couple of points to make. One of the complaints that this committee has had is the absence of an organizational structure within the National Security Council staff to deal with the management of this new command.

And I received a letter from General Scowcroft dated April 18, 1989, indicating that he has moved to assign responsibility for the International Programs Director under the leadership of Senior Director Special Assistant to the President, Ambassador David C. Miller, Jr.

And I think the letter ought to be included in the record, Mr. Chairman.

Chairman Nunn. Thank you very much.

[The information follows:]

The White House,
*Washington, April 18, 1989.*

Hon. William S. Cohen,
*Subcommittee on Projection Forces and Regional Defense, U.S. Senate, Washington, DC.*

Dear Senator Cohen: Knowing your interest in the subject, I wanted to inform you that I have recently decided on an organizational framework for dealing with low intensity conflict on the NSC staff. Recognizing the importance to national security of effectively managing such conflict, I have assigned responsibility to my International Programs Directorate under the leadership of Senior Director and Special Assistant to the President, Ambassador David C. Miller, Jr.

Ambassador Miller will have specific responsibility for security and economic assistance and other international affairs funding, counter-terrorism, counter-narcotics, public diplomacy, and refugee programs, as well as overarching responsibility for low intensity conflict. His office will have four other officers working various aspects of the low intensity conflict issue. Simply put, we will focus a team of experienced government officials on this difficult and complex subject, giving it the attention it deserves.

I have not set up this arrangement to satisfy any special interest group, nor to respond only to legislative requirements. I expect this low intensity conflict directorate to deal seriously and straightforwardly with the problems associated with low level conflict in the Third World. I have asked them to talk with your staff, other individuals on Capitol Hill, members of the Administration, and private citizens in the hope of clearly identifying issues and solutions. I have also asked them to ensure that we are working together effectively within the Administration. Ultimately, we can work together with the Congress in a bipartisan manner to fashion an effective policy that is both general and country-specific. We will need your assistance; you can depend on our cooperation.

If you have any questions, feel free to contact me or my staff.

Sincerely,

Brent Scowcroft.

Senator COHEN. Some say that is significant progress.

Chairman NUNN. Senator Cohen, if you keep on micromanaging this low-intensity conflict, we might wind up having a real capability here. [Laughter.]

Senator EXON. Mr. Chairman, I hope we can go into closed session. So far, since we have talked about going into closed session, the only thing we have established is that there is some degree of conflict between the Army and the Navy with regard to funding. That is nothing new.

I am also glad to see that they all think the Air Force is doing a good job. The Air Force gets most of the money anyway. So I think we have resolved all of this pretty well.

Chairman NUNN. Thank you, Senator Exon.

Senator Cohen, I would like to say seriously that, to me, what has been done in the low-intensity conflict area is not micromanaging, it is looking at the broad threat that we have; it is looking at the realistic threat that we have.

And I believe that General Lindsay's statement says that one way of determining it is low-intensity conflict; another way is most probable conflict.

I believe that was your statement.

General LINDSAY. I stole that from General Woerner, sir.

Admiral USTICK. Highest probability conflict.

Chairman NUNN. Highest probability conflict.

Well, that, to me, expresses the situation very well. And I believe that what you have done, and I have joined you on some of this, is very much in the best interest of our country. And where Congress looks at the broad aspects, and then looks to see whether it is working or not, and gives overall direction, it seems to me that is what we are charged to do under the responsibility of the Constitution.

So you have taken a real lead here.

General Lindsay, we appreciate the lead you are taking in carrying this out. We will continue to monitor it very closely.

And Admiral, we appreciate you being here. And tell the General we wish him well. We enjoyed being with him in a meeting not long ago. And I hope to get down and visit you pretty soon.

General Schwarzkopf, we appreciate you being here this morning. You have a huge responsibility. I was going to ask you a question about whether you are ready to take over part of Sub-Sahara Africa; that is not in your command, is there any talk about looking at that, shifting it from the European Command to yours?

General SCHWARZKOPF. There has been a lot of talk about that, Mr. Chairman, but I do not think there is any movement in that direction.

Chairman NUNN. Does that make sense?

General SCHWARZKOPF. That is hard to answer in a short statement, you know. Of course, the European Command is going to focus squarely on NATO and Europe, and therefore, they are not going to have their eyes 100 percent on Sub-Saharan Africa.

I am focused right now, of course, on some of the hotspots that I have got, which are located all over the area. And I am certainly not volunteering.

Chairman NUNN. You have got enough without seeking another.

General **Schwarzkopf**. I am not volunteering to take on any more at this time. So, I guess what I am saying is, whoever has that responsibility is going to carry out the mission.

I will say that the Joint Staff recently undertook an initiative to assign four more countries to me, and when they took that initiative, the ambassadors in all four of those countries said they would rather be under EUCOM than under CENTCOM.

Chairman **Nunn**. Does that mean they think they would be left alone more under EUCOM?

General **Schwarzkopf**. I do not know whether it means that or whether it means EUCOM is taking good care of them, Senator. I cannot speculate on that.

Chairman **Nunn**. Well, we thank all of you for being here. We want you to remain, because we are now going to go into closed session for a few minutes. And I would ask that the room now be emptied as far as people that are not authorized to be here during a closed session.

I assume we have a motion to go into closed session.

Senator **Exon**. So moved.

Chairman **Nunn**. Is there objection? Without objection.

[Whereupon, at 10:10 a.m., the committee proceeded in executive session.]

## EXECUTIVE SESSION

The committee met in executive session, pursuant to recess, at 10:12 a.m., in room SR–222, Russell Senate Office Building, Senator Sam Nunn (chairman) presiding.

Committee members present: Senators Nunn, Exon, Kennedy, Warner, Cohen, Gorton, and Lott.

Committee staff members present: Arnold L. Punaro, staff director; and Richard D. DeBobes, counsel.

Professional staff members present: Sherri W. Goodman, James R. Locher III, and Michael J. McCord.

Minority staff members present: Patrick A. Tucker, minority staff director and counsel; Romie L. Brownlee, deputy staff director for the minority; Judith A. Freedman, George K. Johnson, Jr, and Mark B. Robinson, professional staff members.

Staff assistant present: Debra A. Rice.

Committee members' assistants present: Jeffrey B. Subko, assistant to Senator Exon; Milton D. Beach, assistant to Senator Glenn; Terrence M. Lynch, assistant to Senator Shelby; Christopher K. Mellon, assistant to Senator Cohen; Robert M. Soofer, assistant to Senator Gorton; and Charles Pearcy, assistant to Senator Lott.

Chairman **Nunn**. The committee will come to order. I would ask the staff to make sure that everyone is eligible to be here in closed session. Someone in the Department of Defense is going to have to certify for them.

[Pause.]

Is the room now cleared?

Mr. **Punaro**. We do not know yet, Mr. Chairman.

[Pause.]

Chairman **Nunn**. The room has now been cleared.

General Lindsay, I am going to have to depart, but I do want to ask one or two questions, and the main one I have is if you would give us your frank personal assessment of what we are doing and what we should be doing in the drug business as far as your area of responsibility is concerned.

General LINDSAY. Sir, clearly I do not profess to be an expert in this area, but you know, we have [deleted] main countries right now. We are focused on [deleted]. The situations in the [deleted] countries are distinctly different.

[Deleted] is rather a benign environment at this point, but the production in the [deleted] area in the [deleted] is really picking up. As I have indicated, we have [deleted] who have been down there. All [deleted] want to be in charge of this operation. They think they could do a better job than DEA.

I agree with that; they probably could. But my concern is the focus of the effort. Now [deleted] is the Ambassador down there. He is a great guy and knows a lot more about this than I do, but I just think all we are doing is alienating the peasants who are making the first decent living they have made in a long time by destroying the processing pits and cutting down the plants.

We ought to be focusing higher, going after the hierarchy and going after the aircraft and the means of transportation used to move drugs in and out.

After my visit down there I offered to use [deleted] working with General Woerner, to train up [deleted] that would be used as a [deleted].

In the same vein they are going in and out of the airfields down there, and this would be something in your area now. I have discussed this with General Woerner and I will be discussing it with him again.

My impression is that we ought to be focusing on trying to shut down the things they are doing at night with aircraft, and I think we could do that. We have a couple of [deleted] and some [deleted] in the area, and could just start shooting down airplanes. I am not talking about us doing it; I am talking about getting the host nation to do it, with us providing assistance through security assistance and other means.

If you look at [deleted] as you and I discussed the other day, if we sent teams out in the [deleted] we are sending them into war, and in my candid opinion the only reason that the [deleted] have not taken out the DEA folks that are down there right now is because they do not want to bring more attention to what they are doing, and they do not think they are very effective.

Chairman NUNN. So you are saying if we get effective down there we are going to start getting people killed?

General LINDSAY. Absolutely.

Chairman NUNN. That is in [deleted] is different?

General LINDSAY. [Deleted] is different. You know, [deleted] in the western hemisphere and we have a $100 million aid program down there, so we have a lot more clout. [Deleted] as a model, but it is hard to use it as a model because the situation in [deleted] is so dissimilar.

But again we can do things there in terms of training, and we are doing things in training their forces. I just think that our effort ought to focus more on technological means—to go after the choke points—and to go after the hierarchy in the drug business.

It has to be a total interagency effort. It has to have the [deleted] and host nation forces especially.

Chairman **Nunn**. What happens if we do get into almost a conflict down there? Where does that lead?

General **Lindsay**. Sir, that leads to a disaster because you look at [deleted] right now. The only reason the military has not taken over is because they do not want to touch it. [Deleted] has got a time bomb on his hands there and in the countryside—Admiral Ustick, you correct me if I am wrong on this—the real prevailing presence is the [deleted] and there is no government presence as such.

The army is virtually ineffective. So I do not think we want to pick up their chips for them. I think we all agree we have to work on the supply side, but we need to work on the demand side as well.

Chairman **Nunn**. I believe you feel pretty keenly about the demand side back here, do you not?

General **Lindsay**. Yes, sir. I really think that in the long run we could cut off all the drugs right now, and I suspect, given American ingenuity and the demand, we would come up with some artificial substitute that would do about the same thing in very short order.

[The prepared statement of General Lindsay follows:]

## STATEMENT BY GEN. JAMES J. LINDSAY, COMMANDER IN CHIEF, U.S. SPECIAL OPERATIONS COMMAND

### INTRODUCTION

It is a pleasure to participate in the Senate Armed Services Committee's review of national security strategy, by outlining the contribution of the United States Special Operations Command—and our assigned special operations, psychological operations, and civil affairs forces—in the strategy's implementation.

### USSOCOM'S ROLE IN NATIONAL SECURITY STRATEGY

The United States Special Operations Command supports America's national security policy and strategy across the operational continuum. Application of military power in support of our Nation's strategic objectives encompasses both indirect and direct commitment of conventional, special operations, or paramilitary forces. USSOCOM's primary contribution to the attainment of U.S. national security objectives is accomplished through support of the theater combatant commanders. We are responsible for ensuring deployment of fully trained and equipped special operations, psychological operations, and civil affairs forces through well planned, proactive, and coherent actions. We prepare these forces to conduct their assigned tasks across the entire spectrum of conflict.

At the high end of the conflict spectrum, USSOCOM supports the theater commanders' wartime operational objectives by developing current and realistic doctrine for employment of deployed forces. We also conduct detailed analysis of tactics and techniques that will support the theater CINCs' operational war plans, and actively pursue constructive action to modernize equipment and techniques to meet the multifaceted threats of a world marked by an ever changing political, economic, military, and technological environment. USSOCOM's commitment to the highest training standards and joint interoperability through establishment of uniform doctrine and execution of joint SOF exercises remains essential in preparing for actual operations. Concurrently, USSOCOM's detailed analysis of SOF employment in theater CINC war plans is key to ensuring proper timing and sequencing of operations. As this process continues, we recognize fully the necessity to work closely with the theater CINCs in determining wartime operational needs.

Effective planning and preparation to accomplish wartime objectives is an essential part of our national security strategy. But it is at the lower end of the conflict spectrum, in the employment of military power short of declared war, that the United States now faces its most likely security challenges. It is here, in the environment known as "low intensity conflict" but which might better be labeled "high probability conflict", that USSOCOM's forces are crucially important.

Until very recently, conflict in the Third World was generally viewed as a threat to U.S. interests only when the Soviets were involved. But widespread international terrorism, drug trafficking, and regional conflicts unrelated to Soviet involvement have joined with more positive Soviet behavior of the past 12 months to produce a major impact on our Nation's perception of the threat. The recent conflict in the Persian Gulf, the Pan-Am bombing, the intermediate range nuclear forces accords, and the Soviet withdrawal from Afghanistan, are indicative of changes in the international environment and the perceived threat. Although we certainly must remain vigilant to potential Soviet efforts in areas counter to U.S. interests, today's realities indicate an ever increasing trend toward threats emerging from the Third World virtually independent of East-West competition. Endemic economic, political, and cultural instability suggest that conflicts arising in the Third World would not solve themselves simply by persuading Moscow not to be involved.

Our national security strategy for low intensity conflict requires a coordinated application of political, economic, informational, and military instruments of power. USSOCOM's role in implementing its part of the military's contribution to national strategy for low intensity conflict is both direct and indirect. It encompasses three stages (1) to prevent the generation of activities directed against the interests of the United States and friendly nations by amelioration of the underlying causes of conflict, primarily through nonmilitary measures and indirect use of military instruments of power; (2) to deter—through application of the full range of available U.S. instruments—any hostile employment of force or violence; (3) to repond appropriately to any hostile use of force or violence. Our responsive actions would be for purpose of frustrating the hostile incursions, or for legitimate retaliation, or to reestablish an effective level of deterrence. The particular objective of prevention, deterrence, or response, or some combination of all three—weighs heavily in determining which instrument or mix of instruments should be selected. As an example, prevention of destabilizing factors from becoming an actual threat relies primarily on instruments which ameliorate the underlying causes of instability, subversion and violence. Options would primarily involve nonmilitary instruments—political, economic and informational—as well as indirect military measures of security assistance and use of noncombat support forces such as civil affairs, psychological operations, engineering, and medical units.

This contribution is accomplished primarily through indirect nation-building measures of foreign internal defense. Since the command's establishment on April 16, 1987, USSOCOM forces have conducted over 44 security assistance deployments to assist the local military forces of over 16 friendly nations. Their presence and efforts have a direct impact on improving the readiness and self-defense capabilities of our Third World friends.

The high utilization rate of Special Operations Forces in foreign internal defense (proportionally much higher than for all other forces) is no accident. Our unique capabilities which include, regional orientation, cultural awareness and sensitivity, and language training, make SOF particularly adept at maintaining a reduced profile while effectively supporting host nation requirements for humanitarian and security assistance, military mobile training teams, and counternarcotics efforts. In 300 deployments our Army Special Forces and Navy Seals have conducted training with their counterparts in 40 countries throughout Central and South America, Africa, Asia, and the Middle East. Typical training topics have included field patrol leadership, mission planning, target analysis, small unit tactics, airborne operations, coastal and river reconnaissance, civil/military relations, all augmented by much needed humanitarian and medical assistance. [Deleted] psychological operations detachments have conducted area assessments and prepared training aids to educate the Afghan people about the dangers of munitions and mines left behind by Soviet troops, and means of avoiding the munitions. Civil affairs experts are preparing an assessment of what is required to restore and maintain vital civilian facilities in Afghanistan.

Special operations units' practice of maintaining a subdued presence allows them to work effectively in unstable regions where more visible U.S. forces are likely to become targets of terrorism. Our forces, trained in the culture of the nation to which they are deployed, blend with their local military counterparts. [Deleted] culturally sensitive, living alongside the military forces they were assisting, the Special Forces were not only effective in their training mission, but they also denied hostile groups the opportunity to single them out as an American target for terrorism. As a result, not one team member was lost to hostile action [deleted].

When low intensity conflicts evolve to a point where direct application of military power is required as an option, in response to an evolving crisis or contingency, our forces are also fully prepared for focused, surgical employment. They stand ready to respond, in a show of force, to assist evacuation of noncombatants, to protect U.S. lives and property, or indirect military intervention to assist friendly nations. Special Operations Forces led the operation to rescue American citizens and restore legitimate Government in Grenada. Army special operations aviation units, and Navy Seal and special boat detachments have proved their value in the Persian Gulf.

[Deleted.] Seals then seized the ship before the crew could jettison the remaining mines. This provided the United States with incontrovertible evidence—"the smoking gun"—that Iran was indeed mining international waters, and measurably increased support for our peacekeeping mission in the gulf.

One of our most difficult potential challenges is the illicit drug problem. USSOCOM is prepared to respond to support U.S. anti-drug efforts. Currently we are expanding [deleted] to meet the requirements for integrated command, control, communications, and intelligence. Support through the national border interdiction system [deleted] includes communications equipment and operators. Additionally, USSOCOM is supporting the U.S. Southern Commands requirements to train host nation forces. We are also exploring means to assist the Drug Enforcement Administration in training and planning, as their agents are involved extensively in paramilitary operations.

If national counterdrug policy directs expanding present levels of DOD involvement, Special Operations Forces will be well suited for providing training for counternarcotics forces in measures directed against the sources of drugs. USSOCOM forces can provide specific training, advice, and assistance to military forces in South America in order to enhance their effectiveness in combating narcotics. Special Operations Forces' training and expertise in the tactics, intelligence, and planning for counterinsurgency operations have direct application to counternarcotics efforts. Psychological operations and civil affairs forces can assist in the indispensable effort to win the support of the local populace. The overall success of the effort requires support for a broad-based campaign at reducing drug production, including economic aid for crop eradication. We need public support, at home and especially in the producer nations, to have any chance of stopping production.

The above describes this strategy for our mission as a supporting unified command. Now, I would like to focus on that portion of our mission which states "when directed by the President or Secretary of Defense, plan and conduct operations . . ." USSOCOM stands ready and fully prepared to respond directly to the National Command authorities. The Army, Navy, and Air Force components assigned to the command possess unique capabilities to conduct demanding and [deleted] special operations.

[Deleted.] In addition, we are prepared to task organize other joint Special Operations Forces command and control headquarters to respond to contingencies which might not be suited to the specialized capabilities of the [deleted].

The spectrum of conflict most likely to require Special Operations Forces is counterterrorism. U.S. policy states: "Since no country is immune to terrorism, it is imperative that governments have the appropriate policies, intelligence and flexible response options to deal effectively with terrorist acts. Trained personnel and programs must be in place before, during and after each crisis. Long-term policies to achieve these objectives are costly, complicated and difficult, yet essential as a defense against the importation of terrorism from overseas." USSOCOM is prepared to provide the military response in combatting terrorism.

The range of national response to terrorism requires coordination on three levels. As U.S. policy states: "First, the immediate problem of managing incidents must include measures taken before, during and after the event. Second, coping with the threat is a long-term task that involves protecting people and property, reducing threat levels, and influencing the users and sponsors of terrorism to desist. Finally, there is the challenge of identifying and alleviating the causes of terrorism."

The national strategy for combatting terrorism includes proactive measures, retaliatory strikes and apprehension. To this end, U.S. policy states: "Our principles of justice will not permit random retaliation against groups or countries. However, when perpetrators of terrorism can be identified and located, our policy is to act against terrorism without surrendering basic freedoms or endangering democratic values. We are prepared to act in concert with other nations, or unilaterally when necessary, to prevent or respond to terrorist acts. A successful deterrent strategy may require judicious employment of military force to resolve an incident."

[Deleted.]

### SUMMARY

Thus far our national strategy and international alliances have succeeded in deterring the traditional threat associated with a major conventional East-West confrontation. This success can be attributed in part to the deterrent effect of our forward deployed conventional forces, and the ability of the United States to respond quickly and decisively to crises, and thus prevent escalation of hostilities. The United States must now focus on refining our strategy to counter the increasing threat, regional crises.

I believe that our assigned forces have unique capabilities and characteristics to carry out national security strategy throughout the operational continuum. At the low end of the conflict spectrum, these forces provide the mechanism for the indirect application of military power through such programs as Security Assistance and Foreign Internal Defense in the Third World. As the level of conflict increases, SOF continues to play a role in contingency operations, peacekeeping operations, and counterterrorism. For war, SOF supports theater CINCs requirements by conducting strategic reconnaissance, direct action, and unconventional warfare missions. These forces fill the critical gap between conventional and paramilitary forces and provide the Nation with a complete range of military options.

Chairman NUNN. We have had expert testimony to that effect before our subcommittee. Experts have testified, without rebuttal so far, that if we cut off all cocaine coming into the United States, that within 90 days we would be producing synthetic cocaine, which can be done now. It is simply a matter of economics.

So we have got one heck of a problem on the demand side. Admiral, do you have any comments on this from SOUTHCOM?

Admiral USTICK. I agree with what General Lindsay has said. I will make two additional points.

It does have to be part of an overall plan. It is like the operations down there are like squeezing a softball in your hand or some clay. Wherever you squeeze and you are taking effect, something is coming out the other side. We are seeing that happen.

So it has got to be a regional approach. It is not necessarily manpower that is needed down there, but we need to find the nodes, the critical nodes that he is talking about, and work on those nodes rather than be involved in some of the operations we have been engaged in up until this time.

Chairman NUNN. Are you worried about some of the things going on now? Tell us frankly about what is going on now and what your concerns are.

Admiral USTICK. Well, my concerns are that we do not have a comprehensive approach and we are working on that. As you heard me say, we are in a transition period. We are gearing up for that sort of thing. But we need to take a look at that whole area in a regional sense and decide what we are going to do in each of those countries down there because each is a little different, as General Lindsay has said.

The problems are different, but the key nodes can be identified, and those are where we should be working.

Chairman NUNN. Admiral, I would like to ask you one question about El Salvador. What do you see going on there right now? We see a killing in the paper this morning. How do you assess that situation?

Admiral USTICK. [Deleted.]

There are a couple other things that are working in that particular area. We have seen in the actions of the FMLN an attempt to target the oligarchy, to target banks, to target the official buildings and so forth, with the idea that they will get an overreaction by the military so that they can in the long term tie the military with the oligarchy once again, and then they would be on the side of "the people."

So I see things taking place right now.

Chairman **Nunn**. Senator Cohen.

Senator **Cohen**. Mr. Chairman, I will address this to the panel itself. The Army, I am told, according to a report in the Philadelphia Inquirer, wants to permit soldiers to kill terrorists in peacetime. A new policy proposal has been circulating in various agencies. The aim is to get the military around the 1976 President's order that bars assassinations and free it to enforce the Nation's pledge to hunt down terrorists.

That is the basic story in the Philadelphia Inquirer. General Lindsay, I notice on page 4 of your classified—it says unclassified, but then it has a secret cover sheet, but in any event on page 4—on item 3 you indicate you respond, underline "respond," appropriately to any hostile use of force or violence. "Our responsive action would be for purpose of frustrating the hostile incursions, or for legitimate retaliation—and here is the critical language—"or to reestablish an effective level of deterrence."

I was not sure what you meant about "or establish an effective level of deterrence." What does that mean?

General **Lindsay**. First of all, I have not studied that paper and I am not a lawyer, but it is a very legalistic paper. I have read it.

Senator **Cohen**. Which paper?

General **Lindsay**. The first paper you were talking about on assassination that was quoted. I have not read the article you are talking about. It is rather misleading in the way it has described it because they were addressing what can we do in this violent world in which we live with terrorists. Although the term assassination is in there, what they are really talking about is, in the face of a continuing threat, what can we in the military really do about that threat.

It is a very tough question because if you look at it right now, the terrorists we are talking about, as far as he is concerned, he is at war. In fact, most of them are conducting what they would call a holy war.

Now our reaction or our approach to that is to look at those actions as a criminal act. Because we consider them a criminal act, we turn to police forces to solve it and then we get into the judicial system and as we work it through the judicial system we have to operate with our standard rules of evidence.

So as we work through this very long and complicated process in order to protect our people we keep trying to build a bigger lock and we build bigger locks and bigger locks—I am talking now about all the things going on in airports and so forth—but locks are meant for honest people and they do not stop criminals. They certainly do not stop a warrior.

So we are operating on two different planes here and it is something we are really having difficulty coming to grips with.

I am not advocating assassination and I do not think that paper was. What we are trying to say is we have a real threat here and we have to do more than just talk about it.

First of all, though, let us just take the Pan Am 103 thing. [Deleted.]

Senator **Cohen**. There are a lot of paradoxes and ironies in our entire system. I think that murder is a matter of meters, basically. You can have an entire village wiped out by the Air Force dropping bombs on the village. If we send in the Army or the Marine Corps and have them go in and take them out by rifles, you have got a different problem.

You could have the My Lai massacre as opposed to having a bomb from the air, and no problems. So sometimes murder or assassination becomes a matter of meters or measurements. But it does get into a different realm, something we take up in different committees, but it poses a real problem.

Let us suppose, for example, you have a known terrorist cell. Do you have to wait until that particular group formulates a plan? Do you have to go beyond and say they not only have to formulate the concept but then take some initial steps to carry it out before you can react? Or is it enough to know that the plan exists and that they are accumulating the weapons, storing them, preparing for their operation? Can you go in and take them out preemptively? Is that a violation?

We have not dealt with these issues in any really intellectually sound fashion so that now we have started to discuss it and it is getting out in the public domain I think we have got to deal with it.

So I was wondering. It is a bit ambiguous in terms of the way in which your statement was phrased, and I think we have got to be careful that we do not say yes, we think that is a good thing to be able to respond and establish an effective level of deterrence without understanding what we are talking about.

So that was the reason for the question. I am not sure your answer clarified it for me just yet.

General **Lindsay**. Let me put it another way. If you draw a straight line that is time, and in the center of that line you bisect it with a mark that says this is an incident, a terrorist incident of some sort, [deleted].

I would submit to you, sir, that there are a lot of things we could do before that by way of deterrence that appear to be high risk in an everyday, benign environment, but in fact we ought to be doing. I think we can be doing more than we are doing right now.

Senator **Cohen**. Well, let me just say again that maybe we have a situation where on the one hand we know there is a known terrorist, [deleted] and we send somebody in to take them out because we know he is formulating more Pan Am 103's.

Does that violate the Executive order or could we have a bombing operation, could we have a paramilitary group, an indigenous paramilitary group that we train to perhaps attack that? Is that consistent with our policy?

We have got a lot of lines to be drawn in this particular case, and especially with the rise in terrorism.

Senator **Cohen**. General Schwarzkopf, are you comfortable with [deleted] that have been worked out for [deleted] within your area? In other words, General Lindsay is going to send a group over to you. You have got new faces, new people. They come under your command at that point in time. [Deleted.]

General **Schwarzkopf**. Senator, I am satisfied that we have a good handle on that. As a matter of fact, [deleted].

The very purpose was to test our ability to work together, exercise the command and control arrangements, make sure we knew who was responsible for various tasks and what the decisionmaking process would be.

[Deleted.]

So I think particularly, in this case, we have demonstrated that we can work together and we are prepared. I do not think either one of us is worried at all about a turf battle on this issue. We both have the interests of the United States at heart if anything like that comes up. That is the way we have worked the problem.

Senator **Cohen**. I was just wondering how it actually functioned as you put the people into the new command area, how smooth that was.

General **Schwarzkopf**. I thought it went like clockwork. We did have little lessons learned here and there, [deleted].

General **Lindsay**. On the [deleted]. I did not talk about it in open session. I perhaps ought to mention it right now. [Deleted.]

Let us just say you have a [deleted] of some sort. The first thing that would happen would be that the Chairman and I would consult and he would make a recommendation to the Secretary as to whether the [deleted].

We ran this by Secretary Weinberger and we had a little exercise with Secretary Carlucci, and we came to the conclusion the best way to do it would be if it is a [deleted].

[Deleted.]

We briefed Secretary Cheney on this process once, and we are setting up a game with him right now. You mentioned earlier the appointment of Ambassador Miller on the National Security Council in the SOF/LIC arena. I have met with Ambassador Miller twice and we are going to meet Monday down at Fort Bragg to go over some things. He has heard about this game we are working up with Secretary Cheney and the [deleted].

So there is a lot of interest in that.

Senator **Cohen**. My time is up.

Senator **Exon** [presiding]. Thank you, Senator Cohen.

General Schwarzkopf, your name is very, very familiar to me—lots of Schwarzkopfs in Nebraska. The Schwarzkopfs of Nebraska are of Russian-German extraction. Is that where your name comes from as well?

General **Schwarzkopf**. No doubt about the German extraction part of it, Senator.

Senator **Exon**. Let me see if I have listened carefully to your statements today about military intervention in the drug area. You think it would do some good, but, if I heard the bottom line message that you are trying to give us here this morning in answer to a series of questions in this regard, is that we are treading on some potentially very dangerous ground, and that as military experts in this particular area you are sending out a very clear warning that even if you could be ultimately successful, as some people think you could be, you are not sure that your activity would be a significant step toward cutting off the supply of drugs that is plaguing America.

Is that fair?

General **Schwarzkopf**. Can I jump on that for just a minute, Senator? [Deleted.] They have been trying to stop the growth of drugs in that area for 2,000 years and they have not succeeded, and I think they will probably be trying to stop them for the next 2,000 years.

[Deleted.]

I was very involved in this last year and there are really four aspects to the drug problem. No. 1 is the source, and that is basically what we are talking about in South America or in the Middle East or wherever you want to talk about it.

No. 2 is, of course, the inflow of those drugs across our borders. No. 3 is distribution within our country. No. 4 is the demand.

Last year there were some who said the U.S. military should seal our borders. I got very concerned because I was afraid we were going to be given another impossible mission and then get the monkey hung on us because we could not accomplish that mission.

But you know we cannot seal the borders of the United States of America. It has been tried before. East Germany built a wall all the way across the country and even that did not seal the borders. We are certainly not prepared to do that. We tried it in Vietnam between North and South Vietnam, where we used land mines and lethal force and armored personnel carriers driving up and down. We were in combat and still we could not seal the borders.

So sealing the borders in an impossibility, and I just think that the only way you can attack the drug problem is really a four-pronged process. You have to go after the source, and I think that you can do that through the governments of the people involved [deleted]. I do think there is a lot of things we can do to interdict the border successfully. We will get a few of them and we will cause some problems for the drug cartels.

But I also think the other side of that coin is we have got to do something about the criminal element in this country that is distributing that stuff. We have to do something about the demand.

Unless you do something about all four, you are not going to solve the problem.

Senator **Exon**. Thank you. Let me go on to another matter that is of key importance to us that we have not gotten into at any length at all this morning—Gadhafi.

What information can you give us at this level as to what is going on in Libya? I have lots of questions. No. 1, are you convinced that the chemical warfare plant that he was trying to build there has indeed been converted to a fertilizer plant, or is that still a major concern?

And what about the threats that we are hearing, at least through the newspapers today, that Gadhafi and his operators are continuing to plot and plan various terrorist activities? The last ones did not come to pass. There was an anniversary the other day—I believe it was April 15 and we were supposed to have some terrorist activities as a reprisal that evidently did not come about.

General **Schwarzkopf**. Sir, let me talk about the Rabta chemical plant now. [Deleted.]

[Deleted.]

Senator **Exon**. Even in Nebraska we think that is a little much.

General **Schwarzkopf**. [Deleted.]

Senator **Exon**. Let me insert one more question. Even with those defenses that they have there [deleted] if we made the decision to do so? Can we take it out?

General **Schwarzkopf**. I think [deleted]. I will yield to Jim.

Senator **Exon**. [Deleted.]

General **Schwarzkopf**. [Deleted.]

General **Lindsay**. Sir, [deleted] for that. We have [deleted].

Senator **Exon**. Thank you. My time has expired.

Senator Warner.

Senator **Warner**. I yield to my colleagues who were here before me.

Senator **Exon**. Senator Gorton. I did not see you come back in. I apologize.

Senator **Gorton**. In open session, General Schwarzkopf, you said that there was one friendly country in your area about whose stability you had some questions and particularly with respect to any kind of milcon. Would you identify that country now?

General **Schwarzkopf**. Yes, Senator. [Deleted.]

Senator **Gorton**. When you say [deleted] are you talking about in the area between [deleted] or are you speaking of the warfare that is going on in [deleted].

General **Schwarzkopf**. I am talking about the [deleted].

So I monitor that almost on a daily basis.

Senator **Gorton**. Thank you.

General Lindsay, Senator Cohen went over a most interesting and absolutely vital concept with you that relates, it seems to me, to two areas which are obviously matters of central concern to you. The first is your ability to carry out a particular task and second is the appropriateness of carrying out such a task.

In a sense, I guess, I would like to make the question more difficult and heated by making it very specific. Let us assume that we and the Western Europeans reached a conclusion sufficient to our own purposes that the Pan Am terrorist disaster was caused by Abu Nidal, and let me assume that our European or Israeli intelligence is sufficient for you to locate with a high degree of precision where he is and what his movements over a period of time would be.

Do you have the capability of removing him from a hostile situation and do you feel you have the authority, even if you were commanded by someone higher than you, under present rules to kill him as opposed to capturing him and bringing him back for trial?

General **Lindsay**. I am not talking as a lawyer now; I am talking as a commander. [Deleted.]

Senator **Gorton**. Thank you. That is all I have.

Senator **Exon**. Thank you, Senator Gorton.

Senator Lott.

Senator **Lott**. Thank you.

Switching back to an area a little closer to home, Admiral Ustick, I would like to ask you what do you think the prospects are for the Nicaraguan freedom fighters in view of the so-called administration bipartisan plan to provide just the minimal, humanitarian aid?

Admiral USTICK. If I understood your question correctly, are you asking just about the freedom fighters themselves or the bipartisan plan?

Senator LOTT. I am asking about the freedom fighters, their prospects for survival, numbers or any kind of cohesive unit. What happens to them?

Admiral USTICK. Well, I will tell you I have been very surprised that they have stayed together as long as they have. As you probably are very much aware, that is really not in my charter to watch how they are doing, but we do keep a watchful eye on what is happening.

Morale has been very good. Training is still going on. They are participating in their own training as we speak. So who is to say? It will be very difficult as time goes on for them to stay together as a cohesive force, and that is just my opinion as a military man. But right now they are holding together pretty well. I am surprised.

Senator LOTT. One thing that really bothers me on the present conditions in the bipartisan plan is what is going to be their involvement in El Salvador. Again, I do not know what your requirements may be to keep abreast of this area, but I am wondering about increased covert Sandinista material support and involvement in El Salvador.

Admiral USTICK. Let me say we have seen no falloff in that kind of support at this particular time to the Salvadoran guerrillas. We are finding evidence that that is still going on.

So if you are asking me have the Sandinistas now taken heart——

Senator LOTT. I am concerned, as a matter of fact, the Sandinistas may feel greater liberty to do more of that now.

Admiral USTICK. I could not comment on that. All I can say is we have seen no diminishment in their support for the FMLN across the border over into El Salvador. So that kind of support still goes on, Senator.

Senator LOTT. General Lindsay, switching back to another subject, I understand that there was resistance within the military establishment over the past couple of years to the formation of your command as a separate unified command, as directed by the Goldwater-Nichols legislation.

Have you got all that worked out?

General LINDSAY. Yes, sir. I think for the most part hard feelings, if there were any, on that are pretty much behind us now. We have got a good working relationship with the five Unified Commands and we have an emerging relationship with the services now as we pick up our resource management and acquisition responsibilities.

We are moving along very well.

Senator LOTT. Thank you, Mr. Chairman.

Senator EXON. Thank you very much.

I was about to recognize Senator Warner, if staff could alert him, if he is coming back. I hope we can close down in the next few minutes.

In the meantime, I will ask one other question about this drug proposition. How much do you believe Castro's government is involved in this? If so, to what extent are they influencing these problems that are continuing to confront us? How key a role is the Castro government playing in this problem as far as South America is concerned?

Admiral **Ustick**. I will start out and say while I have no definitive information at hand on that role, reportedly, I have read the information that suggests that he and his government had been mucking around, you might say, in this particular business. To what extent that is still going on at this present moment, I just do not know, Senator.

Senator **Exon**. General.

General **Lindsay**. Sir, I do not have any firsthand definitive information. I read the same things we all read in [deleted] but I do not know at this time.

Senator **Exon**. My last question then. What is your view of the present situation as far as Nicaragua is concerned and are you encouraged, discouraged or neutral about the chances of some reasonable understanding or resolution of that problem?

Admiral **Ustick**. Let me start off by saying that I am very much encouraged by our bipartisan statement and the fact that we are working within the Esquipulas II framework. I think that is probably the place we have got to be right now.

As I stated earlier, we will have to watch the verification side of this and not take any steps until we see that the Nicaraguans are in fact going in the direction that they say they ought to go. That is not going to be an easy thing for them to do. It is going to be a longer process, but we are in the right area now.

We are working in the right direction, and we will have to just watch and see what results we obtain and keep pushing on our part for not only the democratization in that area but also the verification processes that have to work as well.

Senator **Lott**. I would like to ask a couple more questions when you get through.

Senator **Exon**. All right. I will recognize Senator Kennedy next, and then we will be glad to take you for another round.

Senator Kennedy, any questions?

Senator **Kennedy**. Thank you, Mr. Chairman.

First of all, could we get back to Panama for a moment? I think there is wide speculation that it will not be a fair election. A number of the countries of seven are talking with each other about perhaps having some representation from other Central American countries. I think it is wise they are taking the initiative.

[Deleted] have indicated they would try and have some kind of presence. I suppose if it is rigged and there is a perception that it is rigged, are we making any contingency plans in case there is some kind of disruption?

Obviously the most hopeful one are the nuns around Marcos' palace, but I do not know whether they have got 500 nuns down there in that particular case.

Admiral **Ustick**. Let me assure you that we are very much in the business of looking at contingencies for disturbances or whatever might come about as a result of that particular election, [deleted].

They would involve, as you would suspect, everything from the safeguarding of our own people and facilities that we have down there to what kinds of follow-on actions may be necessary afterwards.

Senator **Kennedy**. General Lindsay, your comments and other comments that have been made about the effectiveness of Special Operations Forces always underlines the importance of local intelligence and building that capability. I know we have put an emphasis and stress on it.

The question is whether the existing agencies that are providing intelligence now generally in terms of whether it is the Defense agencies, the CIA or other sources, are really thinking in the kind of special operations terms that you are or that this committee and the Congress is, and what can be done. Do you have any recommendations?

General **Lindsay**. That is a good question. Two facets to it. First, in intelligence collection in general the focus has tended to be on the higher end of the conflict spectrum and our process and the systems we have developed have tended to focus there.

I hired a very aggressive J-2 who came out of SOUTHCOM and has a good feel for low intensity conflict. We are working an effort, again jointly with each of the five unified commands to develop a theater intelligence architecture that will focus more on the lower end of the conflict spectrum. That process is moving along well.

Now, to turn specifically to the [deleted].

Right now we are [deleted] because we cannot [deleted]. We have a good technical system there. We share information well. But we need a better capability.

This raises another issue and it has to do with [deleted].

[Deleted.]

Senator **Kennedy**. Are you getting the kind of response in terms of the agencies to develop the human intelligence as well as the other types of intelligence?

General **Lindsay**. Sir, we are developing a good working relationship with [deleted]. As you know, their focus tends to be on [deleted].

The fact of the matter is that in some areas—and this is an ongoing thing with [deleted]—we have got, as I say, a close working relationship. Between us we need to do a better job in terms of getting [deleted].

Senator **Kennedy**. Is there anything you can tell us about what information we have in terms of location of those hostages in Lebanon?

General **Lindsay**. [Deleted.]

Senator **Kennedy**. Well, I hope that it does get attention. It seems to me that after 5 years many of those hostages—we have some very considerable assets and I think if I had been in for some period of time I would certainly be hoping that they would be willing to take some risks and chances in order to try and gain their release.

I thank the Chair. I will certainly talk with Senator Cohen and the Chairman and we will monitor your progress in terms of developing and gaining the support from the intelligence agencies for the kind of information and intelligence you need.

You stress it. I think it is obvious, and I think all of us are familiar with the current disposition with the higher level types of intelligence. That is obviously enormously important in terms of verification of existing agreements and potential future agreements, but the support for your type of operation I think is absolutely essential and I hope we can work with you closely to make sure that you are getting all the support you need.

Thank you.

Senator EXON. Thank you, Senator Kennedy.

Senator Lott.

Senator LOTT. General, I did not quite understand your answer as to why you did not think you would comment at this time on the hostages in Lebanon. Was it because you do not think this is the right forum or you really do not have the information?

General LINDSAY. Sir, [deleted].

Senator LOTT. I assume there is a program. I hope that is a program and at some point I wish there could be some kind of results toward the end of what Senator Kennedy was saying.

Admiral, would you comment generally on the importance of SOUTHCOM's joint task force in Honduras and its contribution to your command's overall objectives in Central America?

Admiral USTICK. Certainly. We have had that joint task force up in Honduras for some time now and we have in fact used it very effectively to assist in the exercise program that we have had going on for a long period of time in Honduras. [Deleted.]

[Deleted.] And what I mentioned in my opening statement was that we probably will use that as long as the exercise program continues [deleted].

Senator LOTT. You talked about it in terms of importance to what is happening in Honduras. How about in the bigger picture of Central America?

Admiral USTICK. Well, that particular task force is primarily [deleted] in Honduras, [deleted].

Senator LOTT. As I understand it, Admiral, General Woerner has asked for support for getting a short takeoff and landing aircraft to implement its strategy in the area. Why is that so important?

Admiral USTICK. [Deleted.]

We feel we can get into 92 percent more airfields if we have a STOL type airplane. There have been lots of instances that we have in operations that we have undertaken down in Central and South America, from the Blast Furnace operation in Bolivia to some of the events that have taken place up in Honduras, when it is very appropriate for us to have that kind of lift, legs, speed that we just do not get with helicopters and that we need to move supplies from point to point.

The STOL aircraft gives us that particular capability and we are very much interested in getting it.

Senator LOTT. There is another name for that, is there not?

General Lindsay. Advanced Tactical Transport, sir. STOL is short takeoff and landing. But the program you are talking about is the Advanced Tactical Transport.

Senator Lott. Where would they be based?

Admiral Ustick. The ones that we are looking at would be based [deleted] in [deleted].

Senator Lott. Thank you.

Senator Exon. Thank you, Senator Lott.

Gentlemen, we will close down now. I want to thank you very much for coming here. You have given us some very important testimony in closed session. I would say this only in closed session. There are many of us in this committee that feel very strongly about the role that you and the Special Forces in particular do, and I think you can tell, General, the outstanding support you have from this committee in the general area.

Let me put in a little caveat. Let me play the devil's advocate position for just a moment. I have ultimate respect for people like yourselves that are in this at the present time. I know, or at least I assume and I think I know, that you recognize the extremely dangerous area that you are involved in where something could happen tomorrow that could cause a major international crisis.

I know that you walk on those eggshells every day very, very carefully. I just wish to caution you once again that at least this member of the committee recognizes you are in an extremely dangerous business not only from the standpoint of the danger itself to the people involved in it but also the dangerous precedent that it sets for something happening somewhere that could cause a very serious international crisis.

I assume that there are adequate safeguards and you have close liaison with your superiors in this particular area. If you wish to say anything about that for the record to reassure us in closed session, fine. If not, fine also. I did want to put that in. I think it is a concern.

General Lindsay. Thank you, sir.

Senator Exon. Any further questions, Senator Lott?

Senator Lott. No, thank you, Mr. Chairman.

Senator Exon. If not, gentlemen, thank you very much for being here. We are adjourned.

[Questions for the record with answers supplied follow:]

## Questions Submitted by Senator Edward M. Kennedy

### NEED FOR FAST SEALIFT

Senator Kennedy. General Schwarzkopf, earlier we heard from the military commanders with NATO reinforcement responsibilities about the need for more Fast Sealift. I note in your testimony that you too state that Fast Sealift assets are insuffficient for the requirements of the Central Command. Despite this testimony and repeated studies through the 1900s on the need for Fast Sealift, we have received a report from the Navy on Fast Sealift that states that the Pentagon has yet to establish a formal "Tentative Operational Requirement" (TOR) for Fast Sealift.

Would you agree that there exists an operational need for more Fast Sealift?

General Schwarzkopf. Absolutely. Additional Fast Sealift is most definitely required. Current Fast Sealift is well short of our requirements.

Senator Kennedy. Have you communicated this need through Pentagon channels to ensure that this operational need is formally established?

General Schwarzkopf. The need for more sealift has been identified through the operational planning process and associated transportation feasibility analysis of our war plans. The Pentagon actively participates in this process and is thoroughly knowledgeable of the sealift shortfall. As a result of the Pentagon's efforts to resolve this shortfall, DOD initiated the draft of a "National Sealift Policy" as a vital step in addressing the national sealift problem.

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## QUESTIONS SUBMITTED BY SENATOR JOHN WARNER

### BALLISTIC MISSILES

Senator WARNER. Given the fact that Libya, Syria, Iraq and South Yemen have ballistic missiles; that these missiles have a range of 190 miles and can reach neighboring countries that are U.S. allies; that Iraq has extended the range of the 190 mile SCUD-B to 560 miles, making it capable of hitting any of the U.S. allies in the Persian Gulf, and that these missiles can be armed with chemical warheads, what measures have the United States taken to protect our regional interests against such threats? What types of strategies or programs are being developed to deal with this threat in the future?

General SCHWARZKOPF. [Deleted.]

Senator WARNER. What restrictions do the possession of ballistic missiles by these countries place on the use of U.S. military force?

General SCHWARZKOPF. [Deleted.]

Senator WARNER. The spread of chemical weapons among Third World nations can radically change regional balances of power. The spread of chemical weapons to such Arab states as Iraq, Libya and Syria is just one example. How do these changed balances of power affect the U.S.' ability to project power worldwide?

General SCHWARZKOPF. [Deleted.]

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## QUESTIONS SUBMITTED BY SENATOR JOHN MCCAIN

### STRATEGIC PLANNING AND PROGRAMMING

Senator MCCAIN. Could you describe the role that SOUTHCOM now plays in the strategic planning and programming efforts of the Joint Staff and Department of Defense, and how it has affected the preparation of the fiscal year 1990 and fiscal year 1991 budget and FYDP?

Admiral USTICK. CINCSOUTH participates in the Joint Strategic Planning System (JSPS) under procedures outlined by the Joint Chiefs of Staff. Through this process USSOUTHCOM participates in developing the Joint Strategic Planning Document (JSPD), the Defense Guidance (DG), Joint Program Assessment Memorandum (JPAM) and ultimately the Services' Program Objective Memoranda (POM). As a result, USCINCSO now has a significant voice in planning and programming for resources needed to effectively carry out his theater responsibilities. For fiscal year 1990, fiscal year 1991 and the FYDP, significant improvements have been made to keep CINC programs distinctly visible in the Services' POM development process; beginning with a Service POM Annex for priority CINC requirements. Major strides have also been made in providing CINCs with timely information and the opportunity to participate in major decision fora, most notably the Defense Resources Board. The Integrated Priority List (IPL) is one of the most significant innovations in the current planning and programming system. This concise listing of each CINC's highest priority warfighting requirements is submitted directly to the Secretary of Defense and Chairman of the Joint Chiefs of Staff. The IPL clearly identifies to the Services each CINC's top priorities and provides the Secretary and Chairman with a benchmark by which to evaluate Service budget proposals. This increased participation permits General Woerner to articulate his top priority requirements and provides him with timely information and the opportunity to participate in the competitive programming process. The fiscal year 1990 and fiscal year 1991 President's Budget supports all of USSOUTHCOM's high priority requirements.

### NET ASSESSMENT

Senator MCCAIN. Could you describe the net assessment activities of SOUTHCOM and list the studies and net assessment efforts where SOUTHCOM has played a role?

Admiral USTICK. USSOUTHCOM has participated in the review of the Fiscal Year 1988-89 Net Assessment, the Fiscal Year 1990-94 Military Net assessment, and the most comprehensive net assessment to date, the 1989 Joint Military Net Assessment (JMNA). The JMNA, mandated by Congress in the Fiscal Year 1989 Defense Authorization Act is, like all net assessments to date, an objective analysis of the capabilities of the military forces of the United States and its allies as compared with those of the Soviet Union and their allies. Comments relating to our theater were provided in all three cases. Additionally, in response to a requirement of the Joint Strategic Planning Document Supporting Analysis (JSPDSA), the Command recommended military options for the fiscal year 1992–96 time frame. These options were considered during the development of the Military Options portion of the Chairman's Net Assessment for Strategic Planning (CNASP). The CNASP will compare the capabilities and effectiveness of U.S. military strategy and forces with those of possible adversaries, examine trends in those capabilities, and reflect the military contributions of allied forces, where appropriate. It also identifies risks of the Defense Guidance strategy and military options the CJCS presents to the SECDEF and the President. The Command has recently commented on the draft briefing of the CNASP and will, when it is prepared, comment on the draft of the CNASP itself.

Looking to the future, through the avenue of the recently instituted Modern Aids to Planning Program (MAPP), USSOUTHCOM will be involved even more in the building of net assessments.

### MILITARY BALANCE

Senator McCain. Does SOUTHCOM have summary assessments of the trends in the United States and Soviet and regional military balance as it affects Cuba, Central America, the defense of the Caribbean, and South America? If so, could you provide such summaries for the record and any key charts and statistics?

Admiral Ustick. We do not have any SOUTHCOM summary assessments. SOUTHCOM's net assessment comments (which were discussed in the answer to the preceeding question) were provided to the Joint Chiefs of Staff and are currently part of the Joint Chiefs of Staff documents. As the initiating agency, the Joint Chiefs of Staff are responsible for making overall assessments of the trends you mention and could best provide the summary assessments which you request.

### DOD PROCUREMENT AND PROGRAMS

Senator McCain. What would be the probable impact on SOUTHCOM's future capabilities of a major delay or cancellation of the following programs:

a. The V–22?

b. The C–17?

c. The effort to build up to 15 carrier battle groups?

d. The acquisition of the currently planned number of AV–8Bs?

Admiral Ustick. a. V–22: USSOUTHCOM has no specific operational requirements that require the unique capabilities of the V–22. While the V–22 could provide operational flexibility, rotary wing aircraft can accomplish the amphibious lift mission in this theater. The increased range of V–22 would, however, provide us with a long-range extraction capability which our rotary wing aircraft do not have. On balance, delay or cancellation of the V–22 would not significantly degrade SOUTHCOM's operational capabilities.

b. C–17: USSOUTHCOM relies heavily on airlift capability to meet our theater commitments, train our forces and execute our operational plans. With the full implementation of the Panama Canal Treaty and turn over to the Government of Panama, CINCSOUTH will have increased airlift requirements to access his theater of operations. Cancellation or delay of the C–17 program impacts USSOUTHCOM to the degree that it detracts from the Air Force's capability to provide airlift.

c. 15th carrier battle group: USSOUTHCOM has no specific operational requirement that depends on a 15th carrier battle group. Deletion of the 15th carrier battle group would have no specific impact.

d. AV–8B: USSOUTHCOM has no operational requirements which rely solely on the unique capabilities of the AV–8B. However, cancellation or delay of the AV–8B program could impact USSOUTHCOM by inhibiting Marine forces ability to project power ashore.

### USSOUTHCOM RESOURCES

Senator McCain. What are the major risks you face because of the deficiencies in the forces currently available to you, and to what extent will each risk increase or decrease with the resource levels currently projected in the Fiscal Year 1994 FYDP? To what extent can further major reductions be made in the portion of the FYDP affecting your forces without increasing these risks?

Admiral Ustick. In order to give a complete answer to your question, I will have to broaden it beyond force levels and the resources provided in the FYDP.

The major risks which we face in the SOUTHCOM Area of Responsibility (AOR) do not result primarily from deficiencies in the forces available to me. The Low Intensity/High Probability Conflict risk which we face is adequately addressed in our current force levels. Moreover (setting aside the yet unknown impact which might derive from our newly assigned counterdrug missions), the risk to SOUTHCOM is unlikely to change significantly as a result of moderate reductions which might be made to the Fiscal Year 1990 to Fiscal Year 1994 FYDP.

Rather, what we depend on critically to implement USCINCSO's military strategy is security assistance funding. As I explained in my opening remarks this morning, the current security assistance resources in the USSOUTHCOM AOR are inadequate to the task at hand. In addition, if our requirements to train and equip host country counter drug forces increase, then we will need proportionately higher security assistance levels. Overall, security assistance resources are critical to minimizing risks to U.S. interests and allowing the U.S. military to access host country military leaders in the SOUTHCOM AOR. With access, we attempt primarily to foster support for the democratic process among Latin American military personnel.

A portion of the FYDP particularly critical in my theater is JCS exercise related funding. As security assistance funding decreases, USSOUTHCOM attempts to maintain linkages to Latin American military through extensive exercise activities. Although our security assistance dollars have been reduced recently, we have been able to maintain a semblance of contact with Latin American military units by increasing our exercise activity. Our exercise funding levels have grown to about $38 million in fiscal year 1989. Should we lose this funding, SOUTHCOM would be hard-pressed to maintain access with Latin American militaries.

In summary, our forward deployed force structure and the FYDP are important to helping make things work for the Command, but the variables of security assistance and our exercises with host country forces are absolutely critical to our military strategy.

### ROLE OF USCENTCOM

Senator McCain. Could you describe the role that USCENTCOM now plays in the strategic planning and programming efforts of the Joint Staff and Department of Defense, and how it has affected the preparation of the fiscal year 1990 and fiscal year 1991 budget and FYDP?

General Schwarzkopf. USCENTCOM particpates fully in all phases of the Planning, Programming, and Budgeting System. During the planning phase USCENTCOM participates in the Joint Strategic Planning System which formulates the strategy to place military capability behind the nation's policies. Specifically, USCENTCOM provides comments for inclusion in the Joint Strategic Planning Document (JSPD). Also, USCENTCOM participates in the formulation of the Defense Guidance which translates the objectives of the military strategy into goals that are to be achieved through the building of the Military Departments' Program Objective Memorandum (POM). Inclusion of the CINCs' input into the resource decision process provides the Chairman, Joint Chiefs of Staff, and the Secretary of Defense a theater specific CINC perspective on budget priorities. The CINC's, Services, Chairman of the Joint Chiefs of Staff, and the Secretary of Defense work together to develop the Department of Defense input to the President's Budget, incorporating alternatives which provide the best solutions to the CINCs' warfighting/support requirements. Overall, the services have funded my critical warfighting needs in the fiscal year 1990 and fiscal year 1991 President's budget.

Senator McCain. Could you describe the net assessment activities of USCENTCOM and list the studies and net assessment efforts where USCENTCOM has played a role?

General Schwarzkopf. USCENTCOM participates to a limited degree in three net assessment studies sponsored by the Joint Chiefs of Staff (JCS): Total Force Capabilities Analysis (TFCA), Joint Military Net Assessment (JMNA), and the Chairman's Net Assessment for Strategic Planning (CNASP). Our role regarding these efforts has been to provide comments on draft documents.

We conduct numerous internal studies that enable us to provide, in part, analytically derived information to the JCS when we comment on the three net assessment efforts mentioned.

Improved net assessment coordination among the unified and specified commands with JCS may result in the development of a JCS program entitled Internetted Warfighting Analysis Capability (IWAC), which will link JCS with the unified and specified commands through hi-speed data links and video teleconferencing. This system, conceptually, will permit direct participation by the commands in the JCS net assessment activities on a real time basis. An initial capability is planned to be in place by October 1989.

### PERSIAN GULF

Senator McCAIN. Does USCENTCOM have summary assessments of the trends in the U.S. and Soviet regional military balance as it affects the defense of the gulf and other key areas within USCENTCOM? If so, could you provide such summaries for the record?

General SCHWARZKOPF. Soviet press reports have stated that they intend to reduce their forces in the "southern USSR" by 60,000 troops. It was unclear whether the "southern USSR" equates to the Southern Theater of Military Operations, or some broader area. It is also unclear whether the 60,000 troops includes units being demobilized after the withdrawal from Afghanistan. Those forces withdrawn from Afghanistan are, with minor exceptions, returning to their prewar garrisons, [deleted]. While some tactical missiles were apparently removed in accordance with the INF treaty, their loss was more than offset by improvements in their air forces. Ground forces also continue to be modernized at a level comparable to other TVD's. In general, the Soviet military is currently undergoing extensive restructuring at all levels, the final result of which is probably not even known by the Soviet leadership. Despite the reduction associated with Afghanistan, the forces of the STVD remain more than capable of dealing with any regional crisis.

[Deleted.] Soviet advisors now outnumber U.S. advisors in the region by 7:1. Previously the Soviet Union was noted for its enigmatic political system and heavy-handed foreign policy style; both of which tended to alienate Middle Eastern nations. Today, the USSR is presenting itself as an open, reasonable nation with a benign foreign policy. As more nations of the region accept this view of the Soviet Union, Soviet gains and influence in the region can be expected to increase. In fact, only Saudi Arabia and Bahrain now lack diplomatic relations with the Soviets and indications are this may change within the year. Soviet construction activity continues at Ataq, South Yemen, at what looks like a garrison complex capable of housing up to 3500 Soviet/Cuban troops that could serve as a Soviet contingency force in the region.

### IRAN-IRAQ WAR

Senator McCAIN. Could you describe the changes taking place in USCENTCOM as a result of the Iran-Iraq War? To what extent is USCENTCOM shifting its contingency plans away from the contingency of a Soviet invasion of the northern gulf and focusing on new contingency capabilities?

General SCHWARZKOPF. The most significant change in the US Central Command's area of responsibility following the Iran-Iraq War is the increased potential for a regional conflict during the next three to five years. In all probability, a direct armed Soviet intervention in the northern gulf during the same period is relatively low.

Recently, regional leaders have shared with me their growing concerns regarding internal security, the unpredictability of radical Islamic fundamentalists in the region, and the revival of tribal territorial claims. The possibility of a regional conflict occurring during the next 3 to 5 years is underscored by these concerns and exacerbated by the proliferation of modern weapons systems that will become available to dissident groups as a result of the Iran-Iraq ceasefire and Soviet withdrawal from Afghanistan.

While USCENTCOM will continue to maintain appropriate contingency plans to address the long term geopolitical threat of the Soviet's, the command's planners have refocused their efforts to address the more likely scenarios consistent with a regional conflict. These efforts also include incorporating lessons learned from the Iran-Iraq war and Soviet occupation of Afghanistan.

### V-22

Senator McCAIN. What would the probable impact be on USCENTCOM's future capabilities of a major delay or cancellation of the V-22?

General SCHWARZKOPF. The versatility and flexibility of the V-22 permit it to be used for many missions, thereby providing increased capability for all services. Although the V-22 provides valuable capabilities, the high costs currently associated with the program warrant further exploration of alternatives.

### C-17

Senator **McCain**. What would the probable impact be on USCENTCOM's future capabilities of a major delay or cancellation of the C-17 program?

General **Schwarzkopf**. Attainment of the strategic airlift goal of 66 Million-Ton-Miles per day (MTM/D) is heavily dependent on the C-17. In order for the United States to meet its world-wide commitments, the C-17 must be fielded in 1990. Not only is the C-17 essential to strategic airlift, but it is even more important to USCENTCOM's ability to accomplish its mission once in the theater of operation. The C-17 will enhance our intratheater lift due to longer range, increased payload, ability to operate from austere, small airfields, and capability to move the full range of unit equipment. We expect the C-17 to contribute 60 percent of our intratheater lift by fiscal year 2000. The future of both strategic and intratheater airlift resides in the procurement and acquisition of the C-17.

### 15-CARRIER BATTLE GROUPS

Senator **McCain**. What would be the probable impact on USCENTCOM's future capabilities of a major delay or cancellation of the effort to build-up to 15 carrier battle groups?

General **Schwarzkopf**. Although USCENTCOM has no carrier battle groups permanently assigned, a carrier battle group has maintained a regular presence in the Indian Ocean adjacent to the command's area of responsibility. Since activation of the Joint Task Force Middle East (JTFME), this carrier battle group has been under the operational control of the Commander, JTFME. In time of crisis or war, the command would be augmented with carrier battle groups based upon our mission and other competing global requirements. If conflicts in other parts of the world require simultaneous carrier battle group presence, the impact caused by the delay or cancellation of the build-up of carrier battle groups could be extreme. We have proven time and time again in wargames and in actual experience that the carrier battle group is essential to mission accomplishment.

In peacetime as well, USCENTCOM must be provided sufficient naval assets to signal U.S. resolve. Regional nations must be continually assured that the U.S. has a long-term commitment to their security and defense against external aggression. The carrier battle groups play a vital role in signaling this U.S. resolve.

### AV-8B

Senator **McCain**. What would be the probable impact on USCENTCOM's future capabilities of a major delay or cancellation of the AV-8B Program?

General **Schwarzkopf**. The AV-8B Harrier currently has capabilities to perform fleet defense (defense of the Amphibious Task Force), air-to-air combat, and surveillance. However, surface attack in a close support role is its raison d'etre and its ability to operate from primitive forward sites make it a valuable asset for successful execution of USCENTCOM OPLANs.

There are many places where the AV-8B can operate where the F-16 or A-10 cannot. If conventional aircraft runways are destroyed or cratered, the AV-8B's ability to takeoff and land vertically becomes a significant asset. The AV-8B has the capability to operate from a variety of land and sea based facilities at close proximity to committed amphibious assault forces, providing rapid, responsive fire support during fast-moving operations.

The high-threat, sophisticated air defense environment in USCENTCOM's AOR has increased the importance of conducting operations during times of reduced visibility and hours of darkness. The AV-8B will be equipped with a nose mounted FLIR sensor which will greatly enhance its CAS operational capability. USCENTCOM needs this supporting arm when our forces operate at night.

### DEFICIENCIES IN FORCES

Senator **McCain**. What are the major risks you face because of the deficiencies in the forces currently available to you, and to what extent will each risk increase or decrease with the resource levels currently projected in the fiscal year 1990 to fiscal year 1994 FYDP? To what extent can further major reductions be made in the portion of the FYDP affecting your forces without increasing these risks?

General **Schwarzkopf**. The major risks facing any command are those which affect the ability to execute the wartime strategy. Our combat units have no significant readiness problems which preclude them from accomplishing their assigned missions and our combat support units are making progress in overcoming their deficiencies. However, our strategy is to face the fight in our Area of Responsibility

(AOR) and our units will be able to fight only if we can get to the battle. Central Command's AOR is 7,000 miles by air from the United States, and up to 12,000 miles by sea. Moreover, the Command has no ground nor air combat forces permanently assigned in the area. Thus, in a crisis, our ability to move forces quickly to the region depends on speed and adequacy of lift.

The resource levels currently projected in the fiscal year 1990 to fiscal year 1994 FYDP support our warfighting needs. Continued support for programs such as the C-17, modernization of the amphibious force, expansion of the Ready Reserve, the container ship modification program, and fast sealift capability programs such as the SL-7 is necessary. The risks associated with inadequate lift are high in the USCENTCOM AOR.

If reductions are unavoidable, we cannot afford to make them vertically. Readiness, sustainability, modernization and force structure are closely linked. We must avoid making further reductions which would impact solely on any one of these four critical elements.

Senator McCain. [Deleted.]

General Schwarzkopf. [Deleted.]

### SOVIET LAND AND AIR CAPABILITIES

Senator McCain. In last year's statement, you described a number of trends in Soviet land and air capabilities in the region that indicated a major increase in Soviet offensive capabilities. Could you provide an update of that analysis and a description of current trends?

General Schwarzkopf. A detailed analysis of trends in Soviet offensive capabilities in the Southern Theater is complicated by the recent Soviet withdrawal from Afghanistan and the announced force wide restructuring of the Soviet military. The final disposition of withdrawing units may be as yet unresolved. Statements made by Soviet military and political leaders are frequently contradictory regarding the restructuring of the military forces resulting from Gorbachev's proposed military reduction. The trend is, however, toward a continuing increase in offensive capability and an increased capability to shift assets between theaters as required. [Deleted.]

### PREPOSITIONING

Senator McCain. On pages 46 and 49 of your testimony, you indicate that the United States has an average of 18–75 percent of the pre-positioning it needs actually deployed, and 4–24 percent of the sustainability. You also indicate that you have only 36–53 percent of the sustainability you need anywhere in the world. To what extent do you expect this situation to change by fiscal year 1994? If it does not improve, to what extent will major changes be needed in your roles and missions?

General Schwarzkopf. With our current initiatives, we expect that by fiscal year 1994 our pre-positioning posture will increase by 3–44 percent depending on the commodity. Clearly, as additional access becomes available, we will take advantage of every opportunity to improve our posture. However, in sustainability we do not anticipate any real growth with the current budget trends. At best, we may see a [deleted] we do not make major changes to roles and missions based on our sustainability and prepositioning postures. Rather, our strategic planning reflects an awareness of these limitations. [Deleted.]

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## Questions Submitted by Senator Trent Lott

### ACCEPTANCE OF U.S. SPECIAL OPERATIONS COMMAND

Senator Lott. General Lindsay, there was a lot of resistance within the military establishment to the formation of your command as a separate unified command as directed by the Goldwater-Nichols Defense Reorganization Act. How have the Services and the other combatant commanders adjusted to the existence of your Command?

General Lindsay. On the whole the Command has been accepted as a viable component of the Department of Defense. Initially we faced the inertia normally associated with a significant transition of responsibilities. As the Command's mission and organization mature our relations with the Services and other commands are steadily improving.

**We have developed Memoranda of Agreement and Understanding with the Services to formalize our respective roles and functions. In like manner, we have developed a series of Command Arrangements agreements with theater unified commands to clarify responsibilities and overlapping areas of responsibility. In addition to the Command Agreements we have instituted the Joint Mission Analysis program with the five theater CINCs. This analytical process addresses the balance between theater missions, forces, equipment, and command and control against the theater threat for all phases of conflict. The SOUTHCOM analysis will be complete in June 1989 with the more complex PACOM process encompassing the next 18-24 months. Together we have made considerable progress in charting areas of responsibility where combatant commands had little previous experience.**

### SHORTAGE OR MODERN AMPHIBIOUS SHIPPING

Senator Lott. General Schwarzkopf, CINCLANT has listed amphibious shipping as one of his operational deficiencies. Assuming that forcible entry is one of the contingencies you plan for, are any of your plans impacted by a shortage of modern amphibious shipping?

General Schwarzkopf. USCENTCOM must be prepared to conduct military operations across the spectrum of conflict and in a wide and varying range of geographic locations. Most of USCENTOM's contingency plans consider amphibious operations as an option available to the National Command Authorities.

The shortage of modern amphibious shipping is a twofold problem. First, the shortages in quantity alone preclude moving all amphibious forces simultaneously. Second, and of even greater concern, is the amphibious force's landing capability when contrasted against the environment in which USCENTCOM forces are expected to operate. Beach areas in the Persian Gulf region are often considered unsuitable for successful amphibious operations. Anticipated landing areas are characterized by shallow gradients, soft sea bottoms, and extensive marsh areas along the shore. Many of our amphibious craft cannot operate in waters less than 4 to 6 feet deep; that requires discharge of the force at extended distances from the beach. Additionally, our wheeled amphibious vehicles, such as the LARC V, have difficulty traveling from the water to the shore due to soft bottoms and extensive marshes. Finally, LCM and LCU class landing craft generally travel at speeds of only about 12 knots. That slow speed, combined with the distances an exposed amphibious force must travel, impact significantly on survivability.

Clearly, we need a capability which can lift the entire amphibious force and simultaneously defeat the restrictive geography in the area of operations.

### NICARAGUA

Senator Lott. Admiral Ustick, what are the prospects for the Nicaraguan Freedom Fighters given the administration's bipartisan plan to provide aid? Does your personal opinion coincide with the view you just gave?

Admiral Ustick. [Deleted.]

Senator Lott. Admiral Ustick, with the reduced pressure on the Sandinista regime in Nicaragua, do you anticipate increased covert Sandinista material support for the Marxist guerrillas in El Salvador?

Admiral Ustick. [Deleted.]

### JOINT TASK FORCE BRAVO, HONDURAS

Senator Lott. Admiral Ustick, would you comment generally on the importance of SOUTHCOM's Joint Task Force in Honduras and its contributions to your Command's overall objectives in Central America?

Admiral Ustick. USSOUTHCOM's Joint Task Force-Bravo (JTF-B) is of great importance to the execution of USCINCSO strategy in CENTAM. [Deleted.] Under the present situation, continuity in our presence and activities at JTF-B will best serve US Government and USSOUTHCOM objectives in CENTAM.

### STOL AIRCRAFT

Senator **Lott**. Admiral Ustick, General Woerner has asked for support for getting short takeoff and landing STOL aircraft to implement an effective strategy in his area of operations. I understand that General Gorman made known a similar need when he was in command. General Woerner makes a good case, but would you like to add anything.?

Admiral **Ustick**. I am also a strong supporter of the short takeoff and landing aircraft. The C-27 STOL aircraft is SOUTHCOM's number one priority Air Force program and is an essental force multiplier for the execution of regional mission requirements. The addition of a short takeoff and landing aircraft of this type will effectively fill the void between helicopters and C-130 capabilities.

[Whereupon, at 10:58 a.m., the committee adjourned.]

# INTERNATIONAL SECURITY ENVIRONMENT (STRATEGY)

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THURSDAY, JUNE 1, 1989

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
*Washington, DC.*

## CONVENTIONAL ARMS CONTROL IN EUROPE AND ITS IMPLICATIONS FOR NATO SECURITY

The committee met at 1:05 p.m., in room SR-253, Russell Senate Office Building, Senator Sam Nunn (chairman) presiding.

Committee members present: Senators Nunn, Levin, Kennedy, Dixon, Glenn, Gore, Shelby, Warner, Thurmond, Cohen, McCain, Wallop, Gorton, Lott, and Coats.

Committee staff members present: Arnold L. Punaro, staff director; Andrew S. Effron, general counsel; Marie Fabrizio Dickinson, assistant chief clerk; John N. McConnell, system manager; and Lucia M. Chavez, security control officer.

Professional staff members present: Robert G. Bell, Sherri W. Goodman, John J. Hamre, William E. Hoehn, Jr., David S. Lyles, Michael J. McCord, and Frederick F.Y. Pang.

Minority staff members present: Patrick A. Tucker, minority staff director and counsel, Romie L. Brownlee, deputy staff director for the minority; Brian D. Dailey, Jonathan L. Etherton, Judith A. Freedman, George K. Johnson, Jr., Ronald P. Kelly, George W. Lauffer, and Durwood W. Ringo, Jr., professional staff members.

Staff assistants present: Lori M. Jackson, Mary J. Kampo, Melissa A. Ramsey, Debra A. Rice, and Mickie Jan Wise.

Committee members' assistants present: Jeffrey B. Subko, assistant to Senator Exon; Kenneth N. Luongo, assistant to Senator Levin; William J. Lynn, assistant to Senator Kennedy; Charles C. Smith, assistant to Senator Dixon; Phillip P. Upschulte, assistant to Senator Glenn; Jefferson B. Seabright, assistant to Senator Wirth; Terrence M. Lynch, assistant to Senator Shelby; C. Richard D'Amato, assistant to Senator Byrd; James M. Bodner, assistant to Senator Cohen; Dudley L. Carlson, assistant to Senator Wilson; Jack D. Crouch II, assistant to Senator Wallop; Robert M. Soofer, assistant to Senator Gorton; Charles Pearcy, assistant to Senator Lott; and Eric H. Thoemmes, assistant to Senator Coats.

### OPENING STATEMENT OF SENATOR SAM NUNN, CHAIRMAN

Chairman NUNN. The committee meets this afternoon to receive testimony from the administration on the new proposal for reducing NATO and Warsaw Pact conventional forces in Europe, which President Bush proposed, and our NATO allies accepted, at the recent NATO summit in Brussels.

Our witnesses today are Ambassador Paul Wolfowitz, Under Secretary of Defense for Policy, who, I understand, was deeply involved in the preparation of the proposal and also was present at the NATO summit in Brussels, and Gen. Robert Herres, Vice Chairman of the Joint Chiefs of Staff, who worked closely with Admiral Crowe and the others on the military side in developing the proposal.

The committee appreciates Secretary Cheney's cooperation in arranging this hearing so quickly after the summit. The Senate has an intense interest in the proposal and we appreciate very much both of you being here today.

On Tuesday I issued a statement congratulating President Bush on his innovative proposal on conventional arms control. I believe there are several beneficial aspects of this proposal.

This proposal focuses attention to the dangers of Soviet conventional advantages and also the principal challenges and opportunities which exist in the conventional arena, instead of continuing to focus narrowly on specific nuclear weapons systems, to the exclusion of the real challenges and opportunities in the conventional arena.

Second, I think the proposal provides the administration and the alliance with a sound negotiating position that, if agreed to and implemented, will reduce the dangers of war in Europe, which after all is what we are all seeking.

From my perspective, the proposal underscores the traditional leadership of the United States within the NATO alliance. I may have questions about the details as we go along, but in terms of the overall thrust, I think it is important that the United States and the Soviet Union be out front in terms of the first cut of conventional reductions when they come and if they come, of course, at the conclusion.

I have felt that way for some time, really for two reasons: One, the proposal of getting the Soviets and the United States out front in terms of manpower reductions offers the prospect of relieving part of the United States burden in Europe, and as we constrict the force structure here, as we have already established clearly in the hearings this year, as the force structure comes down here because of the budget squeeze, it is virtually impossible, as testified to by the Air Force and the Army, to continue to have the number of forces we have abroad while we are cutting force structure overall.

Second, getting the United States and the Soviets out front also reduces the huge Soviet military presence in Eastern Europe, which is of enormous importance to eventually getting a stable situation and also to having Eastern Europe hopefully exercise their own sovereignty in future years.

I want to emphasize that there are a number of questions which remain to be addressed with regard to the specific aspects of the proposal. My overall reaction thus far has been very positive.

There are a couple of questions that I think are very important. The accelerated timeframe in President Bush's proposal of reaching an agreement within 6 months to a year, is certainly a worthy goal, but we should be realistic and not become discouraged if this ambitious timetable is not met.

Usually when you put implicit deadlines on a negotiation, you end up more pressure on the United States than you do on the adversary. I do not characterize this as an implicit deadline, but the goal should not be transferred into a deadline resulting in pressure on us, political or otherwise.

In particular problems of verification will require further study and careful negotiation, especially with respect to limitations on aircraft and manpower.

The second question is, looking ahead to the eventual negotiations on short-range nuclear forces (SNF) which NATO approved at the summit, we need to assess NATO's military needs regarding the number and types of short-range nuclear systems required if conventional force reductions are carried out along the lines of the new NATO proposal.

In other words, there is a direct connection between reduced conventional forces and the reduced need for nuclear weapons, and we have to establish that relationship in NATO and determine the number of nuclear weapons we will need and the type weapons and the type of modernization program required if we get these kind of conventional reductions.

Finally, the proposal makes it even more important that NATO establish roles and missions for each alliance member in the future, taking into consideration each member's capabilities and geographic location. The United States can stimulate this effort by determining the most effective and efficient military roles we can play in Central Europe.

I am particularly anxious that the 275,000 manpower ceiling that has been proposed for the United States and the Soviet Union Armed Forces in Central Europe not be looked on as a concrete floor by the United States forces, because if that happens then that would be happening independent of what our allies might do themselves.

In other words, if we can get the Soviet Armed Forces down to 275,000 that would be an enormous achievement. But if in doing so we lock the United States into a position where, no matter what effort our allies put forth, or lack of effort, we guarantee them a certain number of forces there perpetually. If it is viewed in that vein, it would be a serious error. I am anxious to hear from the witnesses on that point.

Mr. Ambassador, we are pleased to have you here today. General Herres, we are also pleased to have you, and we will be delighted to hear your testimony.

Are there any other opening statements? Senator Wallop, do you have anything?

Senator **Wallop**. Mr. Chairman, no. I would express some agreement with some of your concerns what the European allies may or may fail to do. I rather express a certain amount of skepticism to the euphoria that was expressed over there.

I have a skeptic's view of what we may have done to Britain and France as allies. I think the New York Times headline told us a little of that. "Europe generally agreed, Britain and France skeptical" is a clear way of saying that the split is still prominent.

I have a genuine skeptic's view of the leak out of the State Department about our cooperation with France in the development of nuclear weapons, which has not put the French in the position of having to share their nuclear stable with ours in terms of the consequences of arms control, and Shevardnadze wasted little time in embracing that.

I also have a skeptic's view of language which permits Genscher to interpret it one way and Baker another, Genscher having said this promotes negotiations without modernization and Baker's view of it, which is that if we do not get there we are only talking about a partial reduction and modernization.

It strikes me that we are on the threshold of the Boland amendment of arms control, that both sides having their own way of interpreting a given word is not a good way to start all of this.

So I am here, I am anxious to be reassured, not certain I will be; and I am anxious for the testimony.

Chairman NUNN. Thank you, Senator Wallop.

Senator Levin or Senator Glenn, do either one of you have an opening statement?

Senator LEVIN. Just very briefly welcoming our witnesses, expressing my own sentiment that what you have accomplished here is a significant achievement. You have put a very strong focus on the opportunities, as well as the challenges, of conventional arms control for both stability in Europe, first and foremost, but second, as our chairman has indicated, to try to reduce the disproportionate burden of the common defense which has been carried by American taxpayers.

What you have accomplished at least takes us a step in the direction of achieving both of those goals. Ultimately, it may take a little longer than the 6 months that you hoped for, but it is a very significant and important accomplishment.

I have a number of questions also about it, but that is my general reaction to it.

Chairman NUNN. Senator Glenn.

Senator GLENN. Thank you, Mr. Chairman, just a very short statement.

Mr. Wolfowitz and General Herres, I welcome this opportunity to learn the details of the President's proposal for dramatic reductions in manpower and equipment in Europe and the agreement with the Soviet Union and the Warsaw Pact. I think we need a lot more detail, but this can be one of the most startling and far-reaching proposals in conventional arms control made since World War II. It could well be the breakthrough that this Nation and NATO has been seeking for many years.

One of my principal concerns as chairman of the Manpower Subcommittee is how the proposed U.S. troop reductions are to be apportioned and whether the Soviet reductions will also include a substantial number of combat troops. That was not made clear, and I am sure we will explore this in greater detail in our discussion with you here this afternoon.

Also, some details about the types of aircrafts, General Herres, and how this will be worked out. What the Soviets would do, what we would do. Can planes be substituted one type for another? If we have any details on that, I would appreciate those also.

Thank you, Mr. Chairman.

Chairman NUNN. Senator Dixon.

Senator DIXON. Thank you, Mr. Chairman.

I would like consent to place my statement in the record, and I just want to make a very brief statement by saying that I am sure that most of my colleagues share my view that what President Bush did in Belgium at the NATO conference was a historic step, one for which he is to be warmly congratulated.

As the Chair and other members of the committee know, I have advocated for some time a reasonable reduction in force levels in Europe, with corresponding drawdowns in our equipment there.

The one point I want to make, Mr. Chairman, is I would hope that the administration rethinks the proposition made of destroying all that weaponry instead of bringing some of it back home.

I just want to say that I do not think it makes sense to destroy $20 million F-16 fighters at a time when our Reserve and Guard units are still flying 1960's vintage F-4 fighters. And it also does not make any sense to destroy F-16's when Reserve capabilities are declining because squadrons are being reduced from 24 to 18 aircraft, and should we not be transferring to needy Army Reserve and Guard units modern Abrams tanks and Bradley fighting vehicles, which cost $3 million and $1 million respectively?

So I say it makes more sense to upgrade at home while downgrading overseas, and I would urge the administration to use common sense and let our National Guard and Reserve units have the benefit of some of that fine stuff we have got over there if we are going to have a drawdown.

[The prepared statement of Senator Dixon follows:]

### PREPARED STATEMENT OF SENATOR ALAN J. DIXON

Mr. Chairman, I believe that I speak for the vast majority of my Senate colleagues in praising President Bush's recent force reduction initiatives for Europe. The President has wrestled political momentum away from the Soviet's Mikhail Gorbachev and has begun shaping a policy beyond containment, which I believe is long overdue. These initiatives, if successful, will also greatly reduce our very large defense expenditures and reduce our overall Federal deficit. Again, I commend the President for his bold leadership.

The President's proposal in my view has many viable options, including U.S. concessions on manpower levels and land-based aircraft limitations that remove negotiating stumbling blocks, along with a shorter timetable for implementing and completing a NATO-Warsaw Pact reduction agreement. I believe, however, that the President's offer to destroy the major weapons that are to be withdrawn should be reconsidered.

As a member of the Armed Services Committee and chairman of the Subcommittee on Readiness, Sustainability and Support, I believe that expensive military hardware already bought and paid for by the American taxpayer could well be used elsewhere in our defense arsenal. We could save additional dollars and improve our conventional war fighting capabilities by transferring these weapons—rather than destroying them—to our Reserve and National Guard forces, or in the war against drugs. Toward the end of reducing our overall defense expenditures while maintaining a strong military force, we have been assigning a greater portion of our war fighting responsibilities to our Reserve and Guard forces. Because of these additional assignments, these units face severe shortages of modern weapons. If we end up reducing our NATO conventional equipment, it seems to me we could, in a relatively inexpensive and expeditious manner, give some of these units here at home the weapons they need to do their job.

It doesn't make sense to destroy $20 million F-16 fighters at a time when our Reserve and Guard units are still flying 1960's vintage F-4 fighters. It also doesn't make any sense to destroy F-16s when Reserve capabilities are declining because squadrons are being reduced from 24 to 18 aircraft. Shouldn't we be transferring to needy Army Reserve and Guard units modern Abrams tanks and Bradley fighting vehicles, which cost $3 million and $1 million, respectively? Doesn't it make more sense to upgrade at home while downgrading overseas?

Mr. Chairman, President Bush has indeed taken an historic step forward in reducing tensions between East and West, and he has this Senator's highest praise for doing so. But as we move into a more peaceful era, we need to remain prepared for the unexpected. Let's not throw all of this expensive equipment on the scrap heap. Let's give our modern day minutemen the weapons they need to do their job.

Chairman NUNN. Thank you very much, Senator Dixon.

Mr. Wolfowitz, we will proceed with your opening statement first. We would like to hear your whole statement if you would like to. We certainly do not want to cut you short.

I have told the witnesses, due to previous commitments and their willingness to squeeze in this hearing—that we would try to conclude the hearing at 3 o'clock. We have time to hear from both of our witnesses and then have at least one round of questions, perhaps more.

We know we will not finish all the questions this afternoon, but we appreciate both of you coming to the committee on short notice. I felt it was very important for us to hear from you this week, and we will try our best to complete the hearing by 3 o'clock.

We would be delighted to hear your statement.

## STATEMENT OF HON. PAUL D. WOLFOWITZ, UNDER SECRETARY OF DEFENSE FOR POLICY

Ambassador WOLFOWITZ. Thank you, Mr. Chairman. We very much appreciate this opportunity to continue longstanding consultations with this committee on this important subject.

I have got a statement that I submitted for the record. I will read it, but I will try to abbreviate it some so that we can get to the questions.

The whole world has properly noted the importance of the recent NATO summit meeting in Brussels. The double success, or what President Bush called the "double hit" of that meeting, has provided a worthy birthday present for NATO's fortieth anniversary.

The allies have demonstrated once again their ability to work together in pursuit of common goals. President Bush has shown the continuing importance of American leadership for this most extraordinary alliance of free nations.

But one of the most important results from that summit and one of the most long-lasting is a more subtle one and one that has been much less widely noticed. It is an achievement, however, the members of this committee can fully appreciate.

For the first time, conventional arms control has been moved to the top of the arms control agenda, where it properly belongs. That is the goal that has long been advocated by you, Mr. Chairman, and many other members of this committee. It is a goal that is fully shared by President Bush and his administration. As a result of the Brussels summit, we have moved very far toward that goal.

For 40 years, through changes in the Soviet leadership, through freezes and thaws in the cold war, through 15 long years in negotiations in MBFR, the NATO alliance has ensured that the Soviet Union would not dominate Europe, while working for a relationship with the East that could end the continent's division.

Until recently it has been a waiting game. The East was unwilling to deal with either the military problems created by their massive forces or the political issues that were at the root of Western concerns.

To the contrary, through 25 years, including the first 4 years of Gorbachev's tenure, we have seen a continuing Soviet buildup in Europe. But within the last 2 years, the Pact has shown greater readiness to negotiate on the critical issues.

It is because of this apparent Eastern desire to narrow the differences between the two sides that the President proposed to broaden NATO's proposal in the CFE talks, the conventional forces in Europe talks.

If I might quote Secretary Cheney from his remarks yesterday, the Secretary of Defense said:

> The balance between opportunity and risk is an appropriate framework for understanding the NATO summit meeting held this week in Brussels. After 15 years of stalemate in conventional arms negotiations, the Warsaw Pact recently agreed to join new talks covering the entire European continent. In just 5 or 6 weeks, we appear to have made more progress than over the past decade and a half.
>
> The major breakthrough—

And I am still quoting the Secretary of Defense—

> was the decision by the Soviet Union to make massive cuts in its tanks, armored personnel carriers, and artillery. Because of the progress on heavy equipment, President Bush was able to make a major new proposal at the summit on Monday.

I will just summarize the President's proposal briefly and General Herres, who was intimately involved here in the development of that proposal, will give you more detail on the numbers and particulars. It had four parts:

First, to lock in Eastern acceptance of our proposed ceilings for each side's holdings of tanks and armored troop carriers, and I would emphasize those ceilings incorporate massive cuts in Soviet tanks, roughly 30,000 Soviet tanks and just over 2,000 on the NATO side.

Additionally, we would seek agreement on a similar ceiling for artillery, provided certain questions of definition can be resolved. All of the equipment reduced would be destroyed.

Second, responding to Eastern concerns, the President indicated we are prepared to expand our current proposal so that each side would reduce to 15 percent below current NATO levels in two additional categories: first, helicopters; and second, land-based combat aircraft. All of the equipment reduced would be destroyed.

Third, the President proposed that we would negotiate a manpower ceiling on U.S. and Soviet ground and air forces stationed outside of national territory in the zone from the Atlantic to the Urals, that ceiling to be at 275,000. To get to that 275,000, the United States would have to reduce about 30,000, representing about 10 percent of our total ground and air manpower in Europe or 20 percent of combat manpower. This manpower ceiling would require the Soviets to reduce their forces in Eastern Europe by about 325,000.

And fourth, the President proposed to accelerate the timetable for reaching a CFE agreement. Secretary Gorbachev when he talked to Baker in Moscow in May had suggested such an agreement might be implemented by 1997. The President expressed our hope that such an implementation could take place in 1992 or 1993.

Let me emphasize that this was not a unilateral move designed to counter unilateral Soviet announcements. This was not a bilateral proposal or a prescription for superpower arms control.

Nor was it the act of an administration lacking an overall strategic approach. Our strategy review has emphasized the unique opportunity for actually improving the security situation in Europe that is presented by apparent Soviet willingness to accept highly asymmetric reductions in their forces.

That review reaffirmed that the CFE negotiations were the most fruitful way to bring these about. The initiative, not surprisingly, was therefore presented in the context of these negotiations and crafted to give them impetus.

We expected our allies to react positively to the President's initiative, but quite frankly the warmth with which it was received was even more than we had expected. The allied leaders at the summit unanimously applauded the President's conventional arms control initiative.

I might note what my statement does not note: Mrs. Thatcher's words were that the President's proposal had "transformed the summit." Chancellor Helmut Kohl declared that "the alliance could not have gotten a better present on its anniversary."

President Mitterand similarly endorsed the President's proposal, emphasized the imagination behind it, and noted the value in taking the initiative back from Gorbachev.

Let me stress that the President's optimism about the prospects for reductions must be understood in the context of the CFE talks. There are a number of issues on which NATO and the Pact have come to what seems a surprising degree of agreement.

We are already very close on the numbers that we are proposing for ceilings on tanks, armored troop carriers, and artillery. We believe that it is possible to arrive at an agreement including those elements, as well as helicopters, combat aircraft, and U.S.-Soviet station manpower within a year.

But we are talking about negotiated reductions, not unilateral American withdrawals. Whether we can meet that goal—and I emphasize it is a goal, it is not a deadline, and several of you have already emphasized the importance of not turning it into a deadline—depends on how serious the Soviets are.

That is something we certainly do not know at this point. The words that we have heard from them are promising. The willingness to close on important issues is promising. But so far what has actually taken place in their force structure gives us little basis for prediction.

Moreover, we still have a number of tough negotiating issues to deal with, particularly on the question of aircraft. The aircraft issues were one of the most thorny issues we encountered in the SALT negotiations, in the ongoing START negotiation, and in the recently concluded INF negotiations, and the aircraft issue promises to be even more difficult in CFE.

The issue of verification, which has received only limited attention from negotiators or publics so far, will also require agreement. We have made progress with the East on this issue in recent years, particularly in the Stockholm document of CSCE and in the INF Treaty.

But monitoring and verifying a conventional reductions agreement will be far more challenging than even these difficult tasks.

The changes sought by this initiative are military, but they are made possible by the many political and economic changes that have been giving a more human face to Eastern Europe in recent years. We look forward to further change in all three areas, changes that will allow us to move beyond containment to the continent without walls that was NATO's founding vision.

With that, Mr. Chairman, I will turn the floor over to General Herres.

[The prepared statement of Ambassador Wolfowitz follows:]

### PREPARED TESTIMONY OF USD(P) PAUL WOLFOWITZ

The whole world has properly noted the importance of the recent NATO Summit meeting in Brussels. The double success—or the "double hit" as the President has called it—of that meeting has provided a worthy birthday present for NATO's 40th anniversary. The allies have demonstrated once again their ability to work together in pursuit of common goals. President Bush has shown the continuing importance of American leadership to this most extraordinary alliance of free nations.

However, one of the most important results from that Summit, and one of the most long lasting, is a more subtle one, and one that has been much less widely noticed. It is an achievement, however, that members of this Committee can fully appreciate. For the first time, conventional arms control has been moved to the top of the arms control agenda where it properly belongs. That is the goal that has long been advocated by you, Mr. Chairman, and many other members of this Committee. It is a goal that is fully shared by President Bush and his Administration. As a result of the Brussels Summit we have moved very far toward that goal.

For 40 years—through changes in the Soviet leadership, through freezes and thaws in the cold war, through 15 long years of negotiation in MBFR—the NATO alliance has ensured that the Soviet Union would not dominate Europe, while working for a relationship with the East that could end the continent's division. Until recently, it has been a waiting game. The East was unwilling to deal with either the military problems created by their massive forces or the political issues that were at the root of Western concerns. As a result, our European conventional arms control proposals went nowhere.

But within the last two years, the Pact has shown a greater readiness to negotiate on the critical issues. In particular, they responded that they were ready to discuss conventional arms reductions to parity in the entire Atlantic-to-the-Urals region. Discussions on a mandate for such talks concluded in January of this year and the Conventional Forces in Europe (CFE) Negotiations itself began in March.

While this seemed an auspicious beginning for new talks on conventional arms control in Europe, I think we have all been a bit surprised by the pace of negotiations in this second round. The East has not only fleshed out its vague proposal from the first round, but they have suggested a number of categories and ceilings that are at or near those proposed by NATO.

It was because of this apparent Eastern desire to narrow the differences between the two sides that the President proposed to broaden NATO's CFE proposal. To quote my boss, Secretary Cheney, from his remarks at the Naval Academy graduation: "The balance between opportunity and risk is an appropriate framework for understanding the NATO summit meeting held this week in Brussels. After 15 years of stalemate in conventional arms negotiations, the Warsaw Pact recently agreed to join new talks covering the entire European continent. In just five or six weeks, we appear to have made more progress than over the past decade and a half.

"The major breakthrough was a decision by the Soviet Union to make massive cuts in its tanks, armored personnel carriers and artillery. . . . Because of the progress on heavy equipment, President Bush was able to make a major, new proposal at the summit on Monday."

The President's proposal has four key components:

1. Lock in Eastern acceptance of the proposed Western ceilings on each side's holdings of tanks and armored troop carriers. Additionally, we would seek agree-

**ment on a similar ceiling for artillery, provided certain questions of definition can be resolved. All of the equipment reduced would be destroyed.**

**2. Responding to Eastern concerns, expand our current proposal so that each side would reduce to 15 percent below current NATO levels in two additional categories: attack and assault or transport helicopters; and all land-based combat aircraft. All of the equipment reduced would be destroyed.**

**3. Propose a manpower ceiling on U.S. and Soviet ground and air forces stationed outside of national territory in the Atlantic-to-the-Urals zone at 275,000 each. The U.S. reduction would be about 30,000 individuals which represent about 10 percent of ground and air manpower or 20 percent of ground and air combat manpower in the theater. This manpower ceiling will require the Soviets to reduce their forces in Eastern Europe by about 325,000.**

**4. Accelerate the timetable for reaching a CFE agreement along these lines and implementing the required reductions. Our hope is to reach such an agreement in six months to a year, and to accomplish the reductions by 1992 or 1993.**

Before assessing the prospects for the future, it is important that the President's initiative be viewed in its proper context. This was not a unilateral move designed to counter unilateral Soviet announcements. This was not a bilateral proposal, a prescription for "superpower" arms control.

Nor was this, as some have said, the act of an Administration lacking an overall strategic approach. Our strategy review emphasized the unique opportunity for actually improving the security situation in Europe that was presented by Soviet willingness to accept highly asymmetric reductions in their forces. The review reaffirmed that the CFE negotiations were the most fruitful way to bring these about. The initiative, not surprisingly, was therefore presented in the context of these negotiations and crafted to give them impetus.

We expected a positive reaction to the President's initiative, but quite frankly the warmth with which it was received was even more than we had expected. The allied leaders unanimously applauded the conventional proposal. Chancellor Helmut Kohl declared that "the Alliance could not have gotten a better present on its anniversary." He noted that "it is now up to Mikhail Gorbachev to make the next move." President Francois Mitterand similarly endorsed the President's proposal, emphasized the imagination behind it, and noted the value in taking the initiative back from Gorbachev.

As agreed at the Summit, NATO's highest priority in negotiations with the East is reaching an agreement on conventional force reductions. And, indeed, these priorities echo the advice this Committee has offered on the importance of making conventional reductions the top priority and not dwelling prematurely on nuclear weapons.

Once such an agreement has been reached and implementation is underway, the United States is prepared, in consultation with our allies, to begin negotiating a partial (and I do mean partial) and verifiable reduction to parity of U.S. and Soviet land-based SNF missile systems, but—as the President stressed, not a "third zero." We would only begin to implement an SNF agreement after the CFE agreement was fully implemented. In the meantime, Allies expressed their support for US development of the follow-on to LANCE in order to permit a deployment decision in 1992.

So much talk about implementing reductions raises another aspect of the President's initiative. The President's optimism about the prospects for reductions must be understood in the context of the CFE talks. There are a number of issues on which NATO and the PACT are already in substantial agreement. We believe we can arrive at an agreement to cut tanks, ATCs, artillery, helicopters, combat aircraft, and U.S.-Soviet foreign-stationed manpower within a year. But we are talking about negotiated reductions, not unilateral American withdrawals.

We still have a number of tough negotiating issues to deal with. The East is going to have to work with us to develop a definition for aircraft that includes all the combat aircraft in the zone. Until now, the Soviet Union has steadfastly refused to include any aircraft which are assigned to its air defense units or to what they call, air armies of the high command, that is medium bombers, in CFE reduction calculations. The aircraft issues were one of the most thorny in the SALT, START, and INF negotiations, and it promises to be one in CFE also.

The issue of verification, which has received only limited attention from negotiators or publics so far, will also require agreement. We have made dramatic progress with the East on this issue in recent years, particularly in the Stockholm Document and the INF Treaty. But the monitoring tasks associated with a conventional reductions agreement will be far more challenging.

The changes sought by this initiative are military. But they are made possible by the many political and economic changes that have been giving a more human face to Eastern Europe in recent years. We look forward to further change in all three areas, changes that will allow us to move beyond containment to the continent without walls that was NATO's founding vision.

NATO's new initiative, combined with recent Eastern announcements, outlines a reductions plan that is both broad in scope and unprecedented in effect. The major concerns of each alliance have now been addressed by the other side. While there is still a lot of work to do, all participants can take pride in agreeing so rapidly on the essentials of so far-reaching a multi-lateral accord.

We trust that these moves, major moves by both sides, will provide the negotiators in Vienna with the impetus to work rapidly through the complex and difficult issues which still must be addressed. We hope that by their work our vision for Europe, enshrined in the North Atlantic Treaty, will be brought closer to reality.

Chairman NUNN. Good. Let us go right ahead with General Herres' remarks. We have a rollcall vote in progress, but we probably have 6 or 7 minutes before we have to leave and perhaps we can get partially through and then we will come back.

General Herres.

## STATEMENT OF GEN. ROBERT T. HERRES, U.S. AIR FORCE, VICE CHAIRMAN OF THE JOINT CHIEFS OF STAFF

General HERRES. Thank you very much, Mr. Chairman. It is an honor to be here and I am pleased to be a part of presenting this information to this committee.

I have prepared a one-page statement. To some degree it is redundant with what you just heard from Ambassador Wolfowitz. However, we are talking about the same subject and I am prepared to go into a little bit more detail on the numbers and the starting points and the ceilings themselves.

I think the important part of the statement is what I might refer you to at the bottom of the page, and I might read that:

> The Joint Chiefs of Staff fully support the President's initiative. If implemented, it should lead to a redressal of the Soviet Union's and Warsaw Pact's major advantages in conventional forces that have long been the Alliance's principal source of concern.

I brought along some charts that show some comparisons and show where the ceilings are, and I am prepared to just quickly go over the details——

Chairman Nunn. Good.

General HERRES [continuing]. In slightly greater detail, but not a whole lot more, on the proposal.

## CFE PROPOSALS

| | CURRENT NATO | CURRENT WP | ALLIANCE CEILINGS |
|---|---|---|---|
| TANKS | 22,224 | 51,500 | 20,000 |
| ARTY | 17,328 | 43,400 | 16,500 - 24,000 |
| ATC | 28,600 | 55,100 | 28,000 |

The first chart shows the CFE proposals for the overall ceilings that were made by the Alliance in March. It shows that there are three categories which we would propose to control: tanks, artillery, and armored troop carriers. The figures for current NATO holdings and current Warsaw Pact holdings are basically the same figures that were published by NATO in November, I believe it was the 25th of November, in an unclassified public release.

One can argue a lot about exactly what those numbers are, but what's important about all of this of course is the residual force levels rather than the precise figures for the starting points, although the starting points are certainly important from the standpoint of military significance.

The ceiling of 20,000 in tanks has already been discussed. There is a difference in artillery between Alliance position and the Warsaw Pact position, which I will show in a moment, and that is why I have shown two figures here, 16,500 and 24,000.

And you see the figure for armored troop carriers: a Warsaw Pact reduction from 55,100 down to 28,000, a rather substantial reduction.

## WARSAW PACT PROPOSAL

- **MAIN BATTLE TANKS: 20,000 PER SIDE**
- **ARTILLERY: 24,000 PER SIDE**
- **ARMORED TROOP CARRIERS: 28,000 PER SIDE**
- **STRIKE AIRCRAFT: 1,500 PER SIDE**
- **COMBAT HELICOPTERS: 1,700 PER SIDE**
- **MANPOWER: 1,350,000 PER SIDE**

The next chart then shows the Warsaw Pact proposal, which shows that there are six categories to be controlled: the three that the Alliance proposed, with numbers that are very close to ours. And you will notice in the case of artillery, the Pact proposed 24,000 artillery pieces. This is what I referred to in a previous chart as spanning from 16,500 to 24,000 depending on definition.

The reason their proposal is larger is because the Pact proposed including 100 millimeter and above anti-tank guns and recoilless rifles. Those were not in the definition for artillery that we had included, and that is why the President made the reference to ironing out definitions as far as artillery is concerned.

In armored troop carriers, you see the proposal for the ceiling is exactly the same.

What the Warsaw Pact did that has differed from the Alliance's proposal is added three more categories which we had not included in our original proposal because we thought that it would unnecessarily complicate an agreement, require a more complicated verification regime and be more difficult to negotiate and control and so forth.

The additional categories, of course are strike aircraft, combat helicopters, and manpower. And again you have problems, particularly in this proposal, with manpower in determining exactly what the definition of the military manpower would be.

We had begun discussions with the Pact negotiators in Vienna just a couple of weeks ago to get sorted out what those definitions were.

## NATO SUMMIT CFE INITIATIVE

- **LOCK IN NATO PROPOSALS FOR EQUIPMENT CEILINGS**
  - **TANKS: 20,000 PER SIDE**
  - **ARTILLERY: 16,500 - 24,000 PER SIDE**
  - **ARMORED TROOP CARRIERS: 28,000 PER SIDE**
- **LIMITS ON LAND-BASED COMBAT AIRCRAFT AND COMBAT HELICOPTERS:**
  - **15% BELOW CURRENT NATO LEVELS**
- **U.S. AND SOVIET GROUND/AIR FORCE PERSONNEL STATIONED IN EUROPE REDUCED TO 275,000**
- **ACCELERATED TIMETABLE**
  - **AGREEMENT IN 6 TO 12 MONTHS**
  - **ALL REDUCTIONS COMPLETE BY 1992-93**

The next chart now shows what the President's proposal to the Alliance would do, how it would treat the three additional categories. First of all, as Ambassador Wolfowitz has already said, we would lock in the proposals for the first three categories, virtually the same as ours, once we agree upon what artillery we want to control and exclude from the agreement.

Now we want to iron out the differences on the ceiling, but we are so close together there that that is not a significant factor at all.

We would propose, in lieu of the Pact's proposal with hard ceilings, to select ceilings that come to 15 percent below the current NATO holdings—I will show you the numbers in a moment—and again with combat aircraft having a different definition in this proposal than from what the Pact proposal has.

And the fourth point, of course, of the accelerated timetable has already been discussed.

## NATO SUMMIT CFE INITIATIVE

| | | CURRENT NATO | CURRENT WP | ALLIANCE CEILINGS |
|---|---|---|---|---|
| LAND-BASED COMBAT ACFT | | 5,400 | 13,950 | 4,600 |
| COMBAT HELOS | | 2,600 | 3,700 | 2,250 |

Now, the next chart shows how the numbers work out for two of the three additional categories. The current NATO holdings of land-based combat aircraft by our definition, are 5,400 aircraft.

I might add, training aircraft that are capable of carrying out combat missions, in other words combat-capable training aircraft, are included in those figures. 5,400 for current NATO holdings and Warsaw Pack holdings are 13,000-plus.

The ceiling proposed is 4,600, approximately 15 percent below the current NATO holdings.

Similarly with combat helicopters, you have a definition of assault and attack helicopters——

Chairman **Nunn**. General, I am going to have to recess the committee right now, otherwise we are going to miss a vote on the floor. We will reconvene the hearing after the vote.

General **Herres**. That is fine, this is a good place to break.

Chairman **Nunn**. When Senator Glenn comes back—are you just about through with your statement?

General **Herres**. Yes, sir.

Chairman **Nunn**. We could start with his questions. Why don't you finish up with your opening statement when Senator Glenn comes back and we will start with questions, in order not to delay.

General **Herres**. That would be fine.

[Whereupon, at 1:35 p.m., the committee was recessed, and reconvened at 1:40 p.m. the same day.]

Senator **Glenn**. The hearing will be in order.

I understand from talking to Senator Nunn on the trolley a minute ago that General Herres has not finished his statement yet. If he could go ahead and finish his statement.

Where is the General? Did he leave?

Ambassador **Wolfowitz**. He just stepped out of the room. He will be right back.

Senator **Glenn**. All right, if you can get the General.

Mr. Wolfowitz, you are finished with your statement?

Ambassador **Wolfowitz**. I was, yes, Senator.

[Pause.]

Senator **Kennedy** [presiding]. We will come to order. General, would you be kind enough to continue with your statement?

General **Herres**. Thank you, Mr. Chairman.

I was just about ready to explain about the numbers on the combat helicopters you see, again referencing the figures that were made public by the Alliance last November for the current holdings of both Pact and NATO forces. And you can see again a substantial reduction in Warsaw Pact combat helicopters.

Now, the definition that applies here is assault, transport and attack helicopters. A lot of work will have to be done, and I am sure there will be a lot of give and take in the process of deciding specifically which vehicles will fall under the category of assault and transport because there will probably be gray areas around these helicopters. But we will not be far away from these numbers, I feel, certainly, when we get through.

So these are the proposals to deal with two of the three categories that were not in the NATO CFE proposal, but that were in the Pact proposal. And our proposal, as you know, suggested that the best way to deal with the third category, that is the manpower ceiling, is, in lieu of a Pact-wide ceiling as the Soviets have proposed and lots of problems with what is meant by their definition of manpower, we are proposing a station forces ceiling of 275,000 on each side.

Although it would apply only to the United States and the Soviet Union stationed forces, it would still be worked out within the framework of the CFE negotiations and that agreement itself.

This means of course a very substantial reduction in Soviet manpower of over 300,000. About 325,000 Soviet troops would then have to be withdrawn from east Europe, and on our side a reduction of 30,000 in our ground and Air Force personnel.

So that is the initiative in a nutshell and the approach to each of the three categories that NATO did not address in its proposal, but the Warsaw Pact proposal did indicate a desire to negotiate.

Again, we feel that we have a good position. We need to be very careful about preserving flexibility as we work out the distribution of these reductions. We do not intend to or propose to get ourselves in a position where we have to destroy new equipment. We propose to redistribute new equipment and it is important to preserve that flexibility.

F-15's, M-1 tanks, Senator Dixon, we have no interest whatsoever in destroying. Precisely what we will do with them I need to hold in abeyance, because a lot of work has to be done within the Alliance to figure out how we are going to restructure our deployment and of course our commitment itself.

You see in the two categories shown here we are taking a 15 percent cut NATO-wide. So one of the problems is, after we reach an agreement with the Warsaw Pact on definitions, we will need to work within the Alliance about how we will distribute the cuts, and of course our obvious target will be older equipment to be taken out.

Senator DIXON. All right.

General HERRES. And the same thing applies across the board to all categories—tanks, armored troop carriers, artillery, helicopters, and aircraft. I know there is concern about dual capable aircraft, for example.

We have lots of latitude within this proposal. As long as we do not do anything foolish and limit our flexibility, we have lots of latitude to protect the modernization programs that are so important to our deterrent posture.

So that is what I have to say. It was probably a little bit more than my statement, but I wanted to make sure that you got a chance to see the numbers. You should have a handout with these figures in it.

I am prepared, along with the Ambassador, to answer questions.

[The prepared statement of General Herres follows:]

## PREPARED STATEMENT BY GENERAL HERRES

Mr. Chairman, Members of the Committee: I am honored to be here this afternoon, and very much appreciate the chance to discuss with you the important developments of the past few days and the historic opportunities of the next few months.

The President saw the opportunity to strike for quick agreement and implementation of that agreement in the CFE negotiations. Therefore, the President recommended to NATO, and the North Atlantic Council accepted on 30 May, an arms control initiative covering these four major points: NATO will:

Register agreement, based on the ceilings already proposed in Vienna, on tanks, armored troop carriers and artillery pieces held by members of the two Alliances in Europe, with all of the withdrawn equipment to be destroyed. Ceilings on tanks and armored troop carriers will be based on proposals already tabled in Vienna; definitional questions on artillery pieces remain to be resolved;

Expand our current proposal to include reductions by reach side to equal ceilings at the level 15 percent below current Alliance holdings of helicopters and of all land-based combat aircraft in the Atlantic-to-the-Urals zone, with all the withdrawn equipment to be destroyed;

Proposed a 20 percent cut in combat manpower in US stationed forces, and a resulting ceiling on US and Soviet ground and Air Force personnel stationed outside of national territory in the Atlantic-to-the-Urals zone at approximately 275,000. This ceiling would require the Soviet Union to reduce its forces in Eastern Europe by some 325,000. United States and Soviet Forces withdrawn will be demobilized;

Seek such an agreement within six months to a year and accomplish the reductions by 1992 and 1993. Accordingly, the North Atlantic Council has directed the Alliance's High Level Task Force on conventional arms control to complete the further elaboration of this proposal, including its verification elements, so that it may be tabled at the beginning of the third round of the CFE negotiations, which opens on 7 September 1989.

The Joint Chiefs of Staff fully support the President's initiative. If implemented, it should lead to a redressal of the Soviet Union's and Warsaw Pact's major advantages in conventional forces that have long been the Alliance's principal source of concern.

I would be happy to respond to your questions.

Senator DIXON. That is reassuring, very reassuring.

Senator KENNEDY. Thank you very much.

We will follow the early bird rule here. Senator Glenn.

Senator GLENN. Okay, fine. Thank you, Mr. Chairman.

### AIRCRAFT WITHDRAWAL

Would you repeat that again? As we withdraw new aircraft, F-15's, F-16's, those would not be destroyed? They will come back?

General HERRES. That is right, although I do not think we are going to need to withdraw F-15's or F-16's. Again, if we preserve our flexibility we should be withdrawing older airplanes.

Senator GLENN. If we withdraw airplanes that are newer than those in the Guard and Reserve, would we bring back those and destroy some of the older aircraft if we had to destroy?

General HERRES. That is the kind of flexibility I am talking about. Now, of course, we have got to work out the terms for exactly what has to be destroyed and what the ground rules for that will be between the Alliance and the Pact.

But our goal is maximum flexibility here.

Senator GLENN. Will the 15 percent reduction in NATO combat aircraft be allocated among the members of the Alliance?

General HERRES. Yes, it will, yes, sir.

Senator GLENN. They will each take a percentage cut on that?

General HERRES. And I cannot tell you what the share, of course, will be. That would have to be worked out.

Senator GLENN. It will not be just 15 percent nation by nation across the board, then?

General HERRES. No, we do not expect that. We want to begin, of course, with an assessment by General Galvin, SACEUR. We will need his advice as to what the best distribution should be.

We are really going to be doing some restructuring of our forces in all categories, not only demographically but in proportion to one another.

Senator GLENN. Will there be a prohibition against each side building new aircraft if aircraft are destroyed?

Ambassador WOLFOWITZ. Within the region of limitations?

Senator GLENN. Yes.

Ambassador WOLFOWITZ. That is right.

Senator GLENN. In other words, we would say that we cannot build new aircraft to replace the ones that would be destroyed?

Ambassador WOLFOWITZ. That is right. What we are after is a ceiling from the Atlantic to the Urals, and both sides have to stay under that ceiling. And what we do not want to see is the Soviets move masses of tanks to the eastern side of the Urals, which, among other things, would happen to be on the northern border of Iran, and not destroy them.

Senator GLENN. Well, let us say we pull aircraft out and we destroy say 750 aircraft. Is there anything that says we cannot manufacture 750 new ones in this country that will be available to fly over in case there is an emergency?

General HERRES. No.

Senator GLENN. We could build new aircraft, then?

Ambassador WOLFOWITZ. I think there would not be, Senator. That is an important question of details.

Senator THURMOND. I cannot hear you. Speak into your machine, please.

Ambassador WOLFOWITZ. Sorry.

That is an important question of detail, very important, but it is beyond what we have addressed. But I think the answer to that question would clearly be no.

Senator GLENN. Under our budget limitations that is going to be a little difficult, to tell people we are destroying first-line aircraft and then we can build new ones to replace them, though.

Ambassador WOLFOWITZ. No, no. As the General said, we envision under this 15-percent cut that we would not be destroying first-line aircraft. We would be taking out older aircraft.

### COMBAT MANPOWER REDUCTION

Senator GLENN. Okay. I chair the Manpower Subcommittee. Let me ask you a couple of questions on that. President Bush calls for a 20-percent reduction in combat manpower for U.S. stationed forces in NATO. Will we reduce combat forces and leave all the support forces in place?

General HERRES. A lot of detail needs to be worked out here. We need to give General Galvin a chance to come up with recommendations as CINCEUR after he and his staff have addressed this from a SACEUR viewpoint, because again it is an Alliance proposal.

But what we propose is combat forces and those forces that are uniquely and directly associated with the presence of those specific organizations, the units and forces that are taken out.

Senator GLENN. I presume then the Soviets could leave combat support and combat service support units in place and withdraw specifically combat troops, infantry, is that correct? But those could be replaced on a rapid basis.

General **Herres**. Sir, what we envision in the case of the Soviets is a ceiling of 275,000, and they would be free to select whatever they wished on those 275,000.

Senator **Glenn**. But is there a definition that they have to withdraw combat forces? The President said combat forces, but did not specify Soviet combat forces as I understand it; is that correct?

General **Herres**. That is right. The proposal is that we would both draw down to ceilings of 275,000. And what he said was this means that our drawdown will amount to 20 percent of our combat manpower, approximately 20 percent.

To explain this best I think I would like to describe what we have in Europe in two categories. We have units over there that are ready to go to war tomorrow, as you know, and we have a lot of infrastructure over there that exists in order to be able to support upon arrival of reinforcing forces.

Actually, what we have over there falls well short of what is needed to support reinforcing forces. It is sort of the advanced party to support these forces, even though it is a fairly substantial number of people.

Senator **Glenn**. We have been particularly short on combat support and combat service support anyway, as you know.

General **Herres**. That is right, and that force structure that is over there to support reinforcing forces we would propose to leave in Europe, and we would withdraw combat units and all the uniquely associated force structure that goes with those particular forces that are withdrawn and demobilized.

Ambassador **Wolfowitz**. Can I just add a point on this, Senator? We envision a ceiling of 275,000 men, which for us would represent a 30,000 man cut and for the Soviets a 325,000 man cut.

We do not envision putting a specific ceiling on combat or service. Each side would take its cuts as it wants to.

Chairman **Nunn**. The definitions of "combat" are just mind-boggling.

Ambassador **Wolfowitz**. Impossible, that is right.

Chairman **Nunn**. You cannot get a definition in the Pentagon, let alone in arms control.

Ambassador **Wolfowitz**. It would be impossible.

But on the question of what the Soviets can do, you have to bear in mind that we are also talking about cuts of 31,500 or more in Warsaw Pact tanks. We are talking about cuts of artillery of 20,000 or more. We are talking about cuts of armored troop carriers of roughly 30,000.

It is difficult to conceive that they would take cuts of that size in the equipment and not take the combat personnel out as well.

### END STRENGTH CUTS

Senator **Glenn**. Well, these people—just one last question. My time is up. Will these cuts—are these overall end strength cuts now, total U.S. forces, Guard and Reserve and Regulars?

Or when these people are cut will they be demobilized completely? They will not be transferred into Guard units or into Reserve units? This will mean a total change in force structure end strength of the United States, and do we require the same thing of the Soviets?

General **Herres**. The Soviets will have to demobilize their forces as well.

Senator **Glenn**. Demobilize?

General **Herres**. Yes, sir.

Senator **Glenn**. They will not be—we will not declare them Reserve battalions or anything like that?

General **Herres**. The forces we have to withdraw in order to get down to the ceiling of 275,000 would be demobilized. In the case of equipment to reach the other ceilings, again with the proviso that we preserve the flexibility that we need, the equipment will be destroyed and the forces demobilized.

We think that is particularly important in the case of the Soviets, because we have to remember the situation is that they are only across the East European border from Central Europe and we are across the Atlantic. So if they are not required to demobilize, we are not forcing the drawdown in their force structure that we think is necessary.

Chairman **Nunn** [presiding]. Thank you, Senator Glenn.

Just one point of clarification and then I will call on Senator Wallop. On the question of destruction, I was not here for all of your answer, but I understand there was a little ambiguity about destruction of equipment.

I did not think there was any implicit or explicit limit on either what we could produce in new equipment or what the Soviets could produce in new equipment, provided it is not within the zone of the Atlantic to the Urals.

Senator **Dixon**. That is correct, is it not?

Chairman **Nunn**. Is that correct?

General **Herres**. What we propose is to negotiate an agreement that says that you must meet these ceilings, you cannot exceed all the numbers that I have shown on these charts, you cannot exceed those numbers within those areas, the Atlantic to the Urals.

Now, the French, for example, or the British would be free to build new airplanes to replace old airplanes. But whatever their share of that ceiling, they would continue to abide by it.

Chairman **Nunn**. In other words, they could build, but it would have to be a one for one replacement within those zones?

Ambassador **Wolfowitz**. That is exactly right.

Chairman **Nunn**. That includes the western part of the Soviet Union, does it not, in the third zone?

Ambassador **Wolfowitz**. That is right, everything west of the Urals.

Chairman **Nunn**. If this is accepted, there will be some manufacturing limitation on the Soviet Union within a certain fringe zone of their country?

Senator **Dixon**. Can we clarify that, Mr. Chairman? They can still manufacture on both sides for outside that zone, is that not true?

Chairman **Nunn**. I am just trying to——

Senator **Dixon**. We are clear on that, are we not?

Chairman Nunn. I am just trying to get a clarification. I am throwing out my understanding and asking you all to react to it. Is that correct?

Ambassador Wolfowitz. Our position is we have not discussed or proposed production limitations. What we have specifically said is there would be one for one replacement permitted within those ceilings.

Chairman Nunn. Within the zone?

Ambassador Wolfowitz. Within the zone, right.

Chairman Nunn. That means that, if West Germany, which is located within the zone, decides to build a thousand new tanks, they would have to take a thousand old tanks out, if this was agreed to, right?

Ambassador Wolfowitz. That is right, or the Alliance as a whole would have to take a thousand old tanks.

Chairman Nunn. Somebody would have to take it out.

Ambassador Wolfowitz. Somebody would have to on our side.

Senator Glenn. But if we pulled 500 or 750 aircraft out and destroyed them, we still could replace them here by building new ones?

Chairman Nunn. Right. We are not in the zone.

Senator Dixon. Right.

Senator Glenn. So long as we did not deploy them to Europe.

Chairman Nunn. That is my understanding. Is that right?

Ambassador Wolfowitz. That is my understanding also.

Chairman Nunn. General.

Senator Herres. Yes, that is my understanding.

Senator Gore. Mr. Chairman, one further point of clarification, if I could. I wonder if the witnesses could supply for the record—General, I wonder if you could supply for the record on the charts—the baseline that is used for current NATO, current Warsaw Pact represents the counting system and the numbers used by NATO, correct?

Senator Herres. Yes, sir.

Senator Gore. Could you supply for the record the comparable number that is used currently by the Warsaw Pact for each of the categories for which you have listed a baseline.

Senator Herres. We can do that.

Senator Gore. All right. Thank you.

[The information follows:]

## INVENTORIES OF NATO AND WARSAW PACT EQUIPMENT

## USING WARSAW PACT DATA*

| | CURRENT NATO | CURRENT PACT |
|---|---|---|
| TANKS | 30,690 | 59,470 |
| ARTY | 57,060 | 71,560 |
| ATC | 46,900 | 70,330 |
| STRIKE AIRCRAFT | 4,075 | 2,783 |
| COMBAT HELICOPTERS | 5,270 | 2,785 |

* DATA IS BASED ON WARSAW PACT DEFINITIONS AND COUNTING RULES. DATA WAS RELEASED BY THE WARSAW PACT IN JANUARY, 1989.

Chairman NUNN. Thank you.

Senator Wallop.

Senator WALLOP. Mr. Chairman, I find myself being reassured, because I am not certain how we are ever going to get around this.

Are you saying that we are putting the British and French and German aerospace and tank industries out of business? We are going to build it all because we are the only ones outside the zone?

Senator HERRES. No, sir. They can build new tanks to replace older ones. The point is that, whatever restrictions the ceiling imposes on each member of the Alliance in accordance with whatever agreement we reach on how we are going to distribute the ceiling, that country must adhere to its ceiling for its force structure within the Altantic to the Urals area.

Now, if new tanks are built then older tanks are going to have to be taken out of the inventory.

Senator WALLOP. It is going to take a while.

Ambassador Wolfowitz, I know your job is to do just what you did, for the record, let me suggest to you that there has been major skepticism raised by the British and the French publicly. "France says no to nuclear arms talks," headline yesterday, Washington Times. "Soviets raise the issue of French and British troops," the Washington Post yesterday; with major skeptical statements by the British and the French, yesterday's New York Times which I quoted earlier showing the British and French skeptical about this.

### ARMS CONTROL PROCESS

That leads me to my first question, starting with a rhetorical one. One is that this administration was not responsible for it, but one would ask now if it was really such a good idea to start the arms control process by removing the INF forces?

It seems as if it would have made more sense to have considered such conventional reductions as these under the shield of INF forces. Where we are now is like playing a game on a trapeze without a safety net.

While we are on the subject of the INF, my recollection is that one of the principal achievements we all hailed, skeptics and advocates alike, was that there was an exclusion of U.S. aircraft from that agreement, something which the Soviet Union had insisted upon.

The aircraft, as you know, play an important dual role for NATO. Britain and France have allowed that they will not permit their aircraft to be included in such an agreement.

It seems to me that the argument made by the West prior to the summit for excluding aircraft from at least the first phase of CFE still holds, that aircraft are not capable of holding and seizing territory. Moreover, they play a much more crucial role to our strategy of flexible response because of their dual use and the pressure to withhold a portion of the force for escalation.

What circumstances have changed that allowed this major change in our negotiating position, and does this not provide the Soviet Union with new opportunities to fracture our Alliance?

Ambassador WOLFOWITZ. There is a lot in that question, Senator. Let me first start on the question of fracturing the Alliance and the question of dissenting French and British views.

I think there is quite a difference between the French view and the British view on this. My understanding, although I was not there for the debates that led to the formulation of the initial NATO position, is that the British were among the allies that were more interested in the inclusion of the aircraft from the outset.

But one of the basic concerns—and you have referred to it—is that both the British and the French have their own nuclear deterrent forces, including aircraft, particularly in the case of the French. And both of them, and particularly the French, do not want to see any arms control agreement, and certainly not a conventional arms control agreement, limit that strategic capability of theirs.

President Bush in fact spoke to that point at the NATO Summit and made it clear to President Mitterand and Mrs. Thatcher that he shared that concern. The reason that we feel that that concern can be easily met within the scope of this proposal is because, if you take the total of aircraft on both sides by any reasonable kind of count, one is talking about a ceiling of thousands of aircraft.

There is no problem whatsoever in taking the kinds of reductions that we are talking about without beginning to touch the nuclear aircraft of France or Britain. I think that would be what we would aim at—a ceiling that leaves them complete freedom with those forces. I think that can be achieved.

Senator **Wallop**. Well, that complete freedom nevertheless has a bind on it or it is not a complete freedom. The bind is the overall limits that you set.

General **Herres**. Can I add to that, Senator? The definition that we used or are using for aircraft in our proposal is land-based combat aircraft. The Warsaw Pact would have had us negotiate within a much narrower definition, much narrower range of aircraft, and the way we read it, looking at this from the viewpoint of what the Warsaw Pact had proposed and their definition, is what they were after dual capable aircraft and a reduction in that area.

Our proposal calls for a reduction to a new ceiling for land-based combat aircraft. The Warsaw Pact proposal excludes a fair number of their aircraft, while including targeted aircraft within our inventory.

But land-based combat aircraft is quite a different, is a broader range, and we have a considerable amount of flexibility within a ceiling that is 15 percent below our total.

Senator **Wallop**. Keep in mind, I hope you have an historical memory of how the Luftwaffe came into being as German aerosports clubs, because they were not called combat aircraft, in between World War I and World War II.

I mean, the problem with this sort of thinking becomes one of definition. I go back again to the original question: Why negotiate aircraft at all? What has changed that makes it a good idea now to have aircraft in and 6 weeks ago it was a lousy idea, upon which everybody agreed?

Ambassador **Wolfowitz**. Let me say three things, Senator. First, on the exclusion from INF, our whole position there was the INF was a nuclear treaty, about nuclear missiles.

Senator **Wallop**. But it was not. It was a conventional armament treaty, too. I mean, it was proudly puffed as one, but——

Ambassador **Wolfowitz**. Well, inadvertently so or undesirably so, but in fact one of the reasons for insisting on the exclusion of aircraft from that treaty was that we were doing nothing in that treaty about reducing the conventional, the Soviet conventional threat, first of all.

Second, I believe there are many people who have, including rather tough-minded ones, who have felt that one of the weaknesses of excluding aircraft from the beginning is that it appears to concede the point that we have an advantage in aircraft, which is what the Soviets contend.

We contend that is absolutely wrong if aircraft are defined, as General Herres said, as they should be. And that is the point we intend to push and pursue, and if that is the case we are talking about significant, much larger reductions in their aircraft than in ours.

Finally—and you asked a valid question, what has changed that causes us to change our position. And there it is the fact that, unlike the usual negotiating practice, where the Soviets give an inch every 6 months at most and ask for a yard in return, we have found in this case rather suddenly that when we have put forward these impressively low ceilings and equal ceilings on tanks and on armored troop carriers, they came back within a month to 8 weeks proposing the same low ceilings, recognizing it is clear that those will be major cuts on their part.

What we see in this therefore is the prospect of very significant reductions in that Soviet offensive conventional capability. And it was a judgment, including—and General Herres can confirm this—the judgment of our senior military people, that that would be a major military benefit to us and it is worth trying to move toward that more quickly by tabling a tough-minded proposal on aircraft.

Chairman **Nunn**. Thank you, Senator Wallop.

Let me just make a procedural announcement. We do have the supplemental appropriations bill on the floor and we will probably have a number of votes on that. If we have a vote during the hearing I would appreciate it if those who have not asked questions would go over and vote quickly and return, we can then keep the hearing going and try to have as little time lapse as possible because of our time constraints.

Senator **Wallop**. Mr. Chairman, excuse me for interrupting, but would it be possible for us to submit a few questions for the record?

Chairman **Nunn**. Surely.

Senator **Wallop**. There is clearly a lot of interest in this, and others have many questions.

Chairman **Nunn**. This is just the opening round. We are going to have other hearings on this, and we certainly will be glad to have questions for the record.

Senator **Wallop**. Thank you.

## MANPOWER CEILING

Chairman **Nunn**. I would like to get back to one of the questions I had in my opening statement, the 275,000 manpower ceiling. The Soviets, would reduce their forces way down from where they are now, by 200,000 or 300,000, the U.S. would come down 30,000.

Are we clear in our own minds, and are our allies clear, that this is a ceiling on U.S. forces and is not a perpetual commitment by U.S. forces to remain at that level for indefinite periods of time? That is the first question, and then I will ask you one about the Soviets.

Mr. Wolfowitz.

Ambassador **Wolfowitz**. I think we are certainly clear in our own minds, and I hope our allies are clear about it. In fact, I think what we are doing here is putting the priority number one on Soviet reductions. We want to get them down. But number two, at least in the manpower category, putting the second priority on getting our troops down.

We specifically tabled it this way, not in the form of stationed forces that would have, for example, captured British, French, and Dutch troops in Germany.

Chairman **Nunn**. You have not left any impression in the minds of our allies that we could have this kind of agreement to reduce and then they could reduce down 30, 40 percent of their own forces and we would still, no matter what they did, keep our forces at 275,000?

There is nothing implicit or explicit in that regard with our allies?

Ambassador **Wolfowitz**. I do not think there is, Senator. I think to the contrary, since our whole position has been based on the idea that we are looking at levels in which NATO can continue to maintain an adequate forward defense capability, if the allies were to start making the kinds of cuts you are talking about, we would be in a completely different ballgame. I think that is clear.

Chairman **Nunn**. Is there anything in this proposal that implicitly says to the Soviet Union that they can continue indefinitely, with our blessings, to keep 275,000 trooops in Eastern Europe?

Ambassador **Wolfowitz**. I do not believe so, Senator, we would like to focus on the fact that we are trying to get 325,000 of their troops out of Eastern Europe.

Chairman **Nunn**. You see it as a step in the right direction, not an end point of destiny for either the United States or the Soviet Union?

Ambassador **Wolfowitz**. We would certainly welcome the Soviets going much lower than that.

Chairman **Nunn**. Do we have in our own minds any kind of goal of getting both the Soviets out of Eastern Europe and U.S. forces out of Western Europe? Is that a long-term goal? Do we have an end point, do we have a final philosophy about what we are shooting for yet?

Ambassador **Wolfowitz**. Senator, I think there is a sort of a difference of philosophies about final philosophies. I think in fact what we are taking here is really a giant step, and if we can succeed in getting this agreement and getting this magnitude of reductions we in fact will see a completely restructured military situation in Europe.

Until we see that situation, it is very hard to envisage what comes next. I think in some of the recently concluded negotiations we got a bit ahead of ourselves in talking about final goals of a world without nuclear weapons and so forth. Those may be desirable goals, but I think it is much more useful operationally to focus on how you are going to make this next giant step, make that step, and then see what the world looks like when you get there.

Chairman **Nunn**. We would not object if the Soviet Union took all of their forces out of Eastern Europe, would we?

Ambassador **Wolfowitz**. We would welcome that very much, Senator.

Chairman **Nunn**. So this is a step by step process and does not imply anything final about it?

Ambassador **Wolfowitz**. Not at all.

Chairman **Nunn**. I want to clarify the timeframe that President Bush laid out, 6 months to a year to complete negotiations on this proposal. I understand the value of that timeframe as a rhetorical goal, but we are not setting any kind of deadline on ourselves in this respect, are we?

Ambassador **Wolfowitz**. No, we are not, Senator. And I would like to emphasize even more that it was 6 to 12 months to a year for an agreement, it was 1992-1993 to achieve, implement the reductions.

What the President was really aiming at was Secretary Gorbachev's suggestion that these reductions could be completed by 1997 and our feeling that that is an awfully long time to wait. If the Soviets really are prepared to make these kinds of reductions, why not get them done faster?

We said, how about 1992 to 1993? And that gave us a goal of moving quickly toward an agreement if they are serious about an agreement. But we are not going to give ourselves a deadline that produces a bad agreement.

### SHORT-RANGE NUCLEAR FORCE (SNF)

Chairman **NUNN**. One of the things our West German friends were willing to do was to at least finesse for the time being the question of SNF talks, because we did have a more compressed timeframe as a goal on the conventional talks. Of course, I think that is pretty clear.

What happens if we are here a year from now and we have not come close to completing conventional arms control? Is the whole SNF, short-range nuclear force, issue going to come back to haunt us?

Ambassador **WOLFOWITZ**. Certainly not, Senator, because of what is in that statement. I think obviously the SNF issue is something that is haunting the Germans and may continue to haunt them, although I would hope in fact that what we have established here is the right timetable of priorities to move on the conventional front first.

The statement is very clear that, while we agree to undertake negotiations, those negotiations would not begin until implementation of a conventional forces agreement is under way. It does not tie it to any particular time when that implementation will be under way.

Chairman **NUNN**. In the meantime, it seems to me it would make a degree of sense for NATO to have continuing quiet discussions about our long-term nuclear plans in terms of the residual force we would have envisioned after any SNF negotiation.

It also seems to me that it would make sense for us to discuss the relationship within NATO—I am not talking about negotiations with the Soviets here—as to the relationship between conventional reductions and nuclear needs.

I assume those kinds of discussions will continue in NATO or accelerate, will they not?

Ambassador **WOLFOWITZ**. They will certainly continue. As you know, there is a NATO high-level group that addresses the questions of our nuclear posture, and I would think that group would pay more attention now than previously to what that posture ought to look like if—and I have to keep underscoring "if"—we get these large reductions in Soviet conventional threat.

I think it is important to say—someone referred earlier to the danger of euphoria—we are optimistic that the Soviets may be willing to cut because of what they have said in negotiations. But if you look at what they have actually done so far, they have not been cutting. They have been building up.

Soviet ground capabilities opposite the central region of NATO, for example, actually increased at a more rapid rate in the last 3 years than they did in the early to mid-1980's: an average rate, the way we measure these things, of 5.2 percent per year from 1986 to 1988 versus 4.6 percent per year 1980 to 1985.

So we are talking about really breaking that upward trend and taking it way down. If we can do that, then we are going to have to look at a very different kind of nuclear posture, and I hope in fact the High-Level Group will do that. But I hope we do not do it at such a pace of intensity that we once again agitate the nuclear issue back to the top of the agenda.

Chairman **Nunn**. I agree with that.

General **Herres**. I might add to that, Mr. Chairman, that SACEUR is required to submit to the political leadership of NATO a revision of his nuclear weapons requirements every 2 years. A study is done every 2 years and either validates the current requirements or, in light of whatever changes may have taken place in the intervening time, submits new requirements.

So there is a periodic review of nuclear requirement.

Chairman **Nunn**. When does that come up again?

General **Herres**. Well, SACEUR is beginning a draft of the next study. It takes about 2 years to put it all together and dot all the i's, cross all the t's.

Chairman **Nunn**. Thank you. Senator Warner.

Senator **Warner**. Thank you, Mr. Chairman.

Mr. Chairman, I would like to ask that my opening statement be incorporated into the record. I was unable to be here because of a floor appearance.

Chairman **Nunn**. Without objection.

[The prepared statement of Senator Warner follows:]

## PREPARED STATEMENT OF SENATOR JOHN WARNER

Mr. Chairman, I take pleasure in welcoming Under Secretary Wolfowitz and General Herres before this committee. Secretary Wolfowitz, this is your first appearance before the committee as Under Secretary of Defense for Policy. I want to congratulate you on your confirmation and wish you all the best in your new position. The country will be well served by your expert skills and knowledge during this important time in history. We, and the country as a whole, are fortunate to have you serve in this critical position in the Department of Defense.

In your first appearance before the committee as Under-Secretary, we have requested that you, along with General Herres, provide the members with greater insight into the President's important and dramatic arms control proposals, which were recently presented to the leadership of the NATO alliance. I commend the President for his demonstration of bold and insightful leadership during the 40th anniversary of the NATO alliance.

President Bush has again shown the world that the United States is truly the leader in the quest to pursue stable and equitable arms control reductions. Too often we, and the world, forget that the United States has been the one to initiate the major proposals in the area of arms control. It is the United States, for example, that proposed the so-called zero-option approach on INF systems and intrusive onsite inspections. In the area of conventional arms control, the United States proposed nearly 20 years ago the concept of negotiations on military forces in the so-called Atlantic-to-the-Urals region. The United States also proposed the concept of zones for restricting force levels and limiting offensive and destabilizing type capabilities such as tanks, artillery pieces, and infantry fighting vehicles. All of these initiatives were subsequently accepted by the Soviets.

The President has not invited the Soviets to engage in serious and accelerated negotiations to conclude a treaty on conventional forces within 6 months to a year. I welcome this initiative, but believe that we must not sign any treaty just to meet a deadline. Negotiating under a deadline does not always produce a stable agreement. There are, for example, many verification provisions that must be negotiated in order to ensure that the treaty can be monitored and verified. Nonetheless, while I express my concern for the record, I firmly believe the President understands this, and will avoid the pressures to sign a treaty simply to meet a deadline.

Regarding the specifics of the Bush proposal, I look to the witnesses to provide us with more information on the details and implications of the proposal. For example, what aircraft and helicopters does the President envision for removal and destruction, and what impact will their removal have on post-CFE stability? Does the President intend to "demobilize" only U.S. combat troops at the same time not require the Soviets to "demobilize" their combat troops, but rather give them the option to reduce non-combat personnel instead? With respect to short-range forces, will the administration enter into negotiations to limit SNF class systems even if a CFE Treaty cannot be negotiated and the implementation process started before the target date of 6 months to a year?

I hope the witnesses can provide the members of the committee with information on these and other issues during this hearing. The President's proposal is significant, now we must explore its substance and implications. Again, I thank the witnesses for appearing before committee and look forward to their testimony.

Thank you, Mr. Chairman.

Senator WARNER. I welcome Secretary Wolfowitz at his first appearance before this committee. I hope it is the first of many.

Ambassador WOLFOWITZ. Thank you, Senator.

Senator WARNER. General, it is nice to see you once again.

I want to join those in observing with great sincerity the praise that all Americans have for their President and this historic step that he has initiated and taken. And to those that some few months ago were critical of his not jumping on the soapbox every time Gorbachev got up, I think President Bush has proven by his action that he can operate in the big leagues as best as any of them, better; and it has dismissed forever, I think, any criticism that might have existed heretofore.

My immediate concern, gentlemen, is the budget that is before the Congress. Was there any impact in your judgment as a consequence of these historic initiatives on the budget that is before the Congress?

Should we undertake any correction from the submissions or revisions from the submissions given by the administration? I ask you, Secretary Wolfowitz, first.

Ambassador WOLFOWITZ. Okay. Let me say, when we developed this proposal we did it with a view to what would enhance security in Europe. We think in the end there will be some budgetary implications if such an agreement can be achieved, but that was the secondary goal. The principal goal was to achieve enhanced security.

But I go back to what I said earlier about the dangers of euphoria. We should not begin to act on the prospects of an agreement as though those results have already been achieved. We have a lot of promises, a lot of prospect of a change on the Soviet side, but so far it is only promises and prospect.

Secretary Gorbachev just a couple of days ago made a promising statement about cutting the Soviet budget by 14 percent in the next few years. We have already cut our budget by almost 14 percent in real terms in the last 5 years, and we are cutting our real budget.

The budget figures that he gave the other day, the highest they have ever admitted publicly and four times what they have ever admitted before, are still probably half of what the real figure is.

So we should not start acting on the basis of promises. We should act on the basis of reality. And the present U.S. budget is, I believe, at the edge of what the present reality permits us to do.

If we can achieve this agreement, then we can look at the budget again.

General **Herres**. I would like to add——

Senator **Warner**. Mr. Secretary, if I may interject, I agree with you wholeheartedly, and that is precisely what I hoped that you would say.

If I might respectfully suggest that our President at an appropriate time reiterate much the same statement, because this bill that this committee is now working on will be before the Senate perhaps in July, hopefully in that timeframe, and that type of statement will go a long way, because I anticipate that there will be some that feel that we can bet a little bit on the come here and take some reductions predicated on the strong initiatives taken by the President.

General **Herres**. I would just like to add also that this initiative is one that has been made to and accepted by our NATO allies. The details have to be worked by our NATO allies, and exactly how we will define each of the terms of the initiative before it goes to Vienna as a formal proposal and is laid on the table all needs to be worked out amongst the allies.

It would certainly be premature, in fact it would probably undercut our negotiating leverage, if we were to act in advance of that process. We have got to let the process take place.

This initiative is accepted by the Alliance. It has not yet been submitted to the Warsaw Pact. So there is a lot of tentativeness in what we have talked about. You have asked questions here today that zero in on details of this initiative still yet to be worked out within the Alliance before a proposal is tabled at Vienna, and I do not think we should preempt that process. We should be very careful about that.

Ambassador **Wolfowitz**. If I could just underscore General Herres' last point, I think all of our history of negotiating says we never get anything out of a negotiation if we proceed unilaterally to cut the very things that we are talking about.

Senator **Warner**. Well, the tough question that may well arise in the context of the floor consideration of this budget will be the contemplation of bringing back not only troops but weapons, and the likelihood that some or more of those weapons will be destroyed.

The legitimate question that can be put forward is, should we be building new weapons at the same time we are destroying other weapons? And that becomes a little complicated in the minds of the American public, and we are going to have to prepare a strong case to explain why we must go forward with the modernization, continue to adhere to the budget request presently before the Congress by the President until such time as a complete clarification, and I would accept only by virtue of a signed agreement can we achieve that clarification, in terms of a sense of direction to make some reductions at a future time.

I thank the witnesses, and my time is up, Mr. Chairman.

Chairman **Nunn**. Thank you, Senator Warner.

Senator Levin.

Senator **Levin**. Thank you, Mr. Chairman.

### CONVENTIONAL AGREEMENT

The joint communique makes at least two references to an accelerated timetable for reaching a conventional agreement. In one part of the communique early on it says that "the allies"—and here it refers to all of the members of NATO—"will seek such an agreement," referring to the conventional forces reduction agreement—"within 6 months to a year." That is in about about the fourth or fifth paragraph in the joint communique.

Then later on in the communique it says that: "The United States has expressed the hope that this could be achieved within 6 to 12 months," again referring to a conclusion of a conventional arms reduction negotiation.

There seems to be some conflict in that language, at one point saying the United States expresses the hope to achieve conventional negotiation agreement within 6 to 12 months, earlier saying the allies, all the allies, will seek such an agreement within 6 months to a year.

Why the difference in those two parts of the communique in that goal?

Ambassador **Wolfowitz**. I am not sure—you are saying the difference is that in one case it is a U.S. statement, in the other case it is an Alliance statement?

Senator **Levin**. Yes, why is it that we said in the communique that "the United States has expressed the hope that agreement could be achieved within 6 to 12 months," when in an earlier part of the agreement all the allies said they would seek such an agreement within 6 months to a year?

Was there a difference in this point?

Ambassador **Wolfowitz**. I do not think there is a larger one. I think the explanation is—they were negotiated in different contexts. I was there when the second one was negotiated late Tuesday night, and some people resisted putting that second statement in at all in the place where it appears.

But it is simply a factual statement, that the U.S. President has said that. So it was put in as more or less a factual statement.

Senator **Levin**. Well, what then does it mean in the fifth sentence of the challenge to the East, the first paragraph in the communique, when it says that all of our allies will seek such an agreement within 6 months to a year?

Ambassador **Wolfowitz**. The fifth sentence of which paragraph now, Senator?

Senator **Levin**. The beginning of the communique. It is about the sixth paragraph.

Ambassador **Wolfowitz**. Are you talking about the communique or the comprehensive concept? I am sorry?

Senator **Levin**. It is the joint communique in the New York Times reference that I have. It is about the sixth paragraph down where it says "seek such an agreement within 6 months to a year."

It is actually the fifth paragraph.

[Pause.]

Senator **Levin**. You see it?

Ambassador **Wolfowitz**. I am sorry, we are looking for it. But I believe, Senator, those are in fact two separate documents. The allies in the summit declaration endorse the President's initiative that was brought in at the summit declaration. The other statement that refers to the United States and the 6 to 12 months is the so-called "Comprehensive concept of arms control and disarmament," which was the document in which we dealt with the SNF issue.

So those are actually two different documents, negotiated by two different groups, as a matter of fact. I would not read significance into the difference.

Senator **Levin**. Are the allies committed to seek an agreement within 6 months to a year?

Ambassador **Wolfowitz**. Yes.

Senator **Levin**. That is their goal, too?

Ambassador **Wolfowitz**. That is their goal, too.

What I think you saw in there was a certain resistance in being too specific about that in the specific paragraph that tied it to SNF negotiations.

Senator **Levin**. Let me ask you two questions on the timetable. As I understand this timetable, we have agreed with our allies that we will not enter negotiations on partial reductions of SNF until the implementation of a conventional agreement is under way, is that correct?

Ambassador **Wolfowitz**. That is correct

Senator **Levin**. And all allies agree on that, all of our allies and we agree on that?

Ambassador **Wolfowitz**. That is correct.

Senator **Levin**. Now, that is when we will enter negotiations on partial reductions. The next timetable question has to do with when we would begin to implement any agreement on SNF, and is it the position of all of us that we would not begin to implement any SNF agreement until a conventional forces agreement is fully implemented?

Ambassador **Wolfowitz**. That is correct, Senator.

Senator **Levin**. And all the allies agree on that?

Ambassador **Wolfowitz**. That is correct.

Senator **Levin**. Okay. I presume that includes Germany, is that correct?

Ambassador **Wolfowitz**. That is correct.

Senator **Levin**. Now, in this comprehensive concept there is a paragraph which I find kind of fuzzy. It says: "With special reference to the Western proposals on CFE tabled in Vienna, enhanced by the proposals by the United States at the May 1989 summit, the allies concerned proceed on the understanding that negotiated reductions leading to a level below the existing level of their SNF missiles will not be carried out until the results of these negotiations have been implemented."

"The allies concerned," does that mean allies with SNF forces or all allies?

Ambassador **Wolfowitz**. I believe it is allies with SNF forces.

Senator **Levin**. So that would not include Germany?

Ambassador **Wolfowitz**. It depends on how——

[Pause.]

It could be read as covering any countries that have delivery systems. The Germans have delivery systems, for example, with the warheads under our control, under programs of cooperation. But it is basically language that is there to satisfy the French that they are excluded from any prospective negotiations.

Senator **Levin**. Yes, but I want to know whether or not the Germans are proceeding "on the understanding that negotiated reductions leading to a level below the existing level of SNF missiles"—leaving out the word "their"—"will not be carried out until the conventional negotiations have been implemented"?

That is my question, because that is an ambiguous paragraph, it seems to me. It says "The allies concerned" and then it says "their SNF missiles." It is a very specific question: Did the word "the allies" in that sentence include the Germans? That is my question.

Ambassador **Wolfowitz**. I think it includes the Germans, but I believe it is a reference specifically designed to cover the French.

Senator **Levin**. Can you let us know?

Ambassador **Wolfowitz**. I will get you a better answer for the record, Senator.

[The information follows:]

The phrase "the allies concerned" includes allies with SNF launchers, including the FRG. There is a certain studied ambiguity in the phrasing, in that it is not intended to apply to independent French nuclear forces.

Senator **Levin**. My time is up. Thank you, Mr. Chairman.

Chairman **Nunn**. Mr. Secretary——

Ambassador **Wolfowitz**. I am sorry, Senator.

Senator **Gorton**. Secretary Wolfowitz, this question can be either for you or for General Herres, though it is perhaps best directed to you.

## DRAMATIC SOVIET CHANGES

Would you give me your insight as to the various rationales for the relatively dramatic Soviet changes over the course of the last few months? You referred earlier to negotiating for 6 months to get an inch in return for a demand for a yard. Obviously that has not been the case. Quite obviously the President based much of this proposal to NATO on what he felt to be genuine good faith and a major move on the part of Soviet negotiators toward much lower numbers.

In your own view as a student of change in the Soviet Union, how much of this would you say comes from a genuine revision in the minds of the ruling party in the country of the threat from the West, how much from a difficulty simply to compete with the way in which our defense policies have carried the country in the last 8 years, and how much due to a greater responsibility to the people, as we reflect in papers in the last few days in this new Soviet parliament, and how much due simply purely to economic stagnation, the economic burdens which have been imposed on Soviet society by their huge defense expenditures?

I may have missed some points in that, but can you give at least your own insight as to the why's, the rationales of these major Soviet changes in direction?

Ambassador **Wolfowitz**. I suppose you would have to and one other possibility that is a much less benign one: That is the notion that the best way to conduct an effective diplomacy, given how little they have gotten from their military buildup, is to, as one of them has said, "to deprive you of the notion of an enemy."

Senator **Gorton**. Okay, add that to it, too.

Ambassador **Wolfowitz**. That is a danger one has to bear in mind.

I am inclined to think that what we are seeing is most of all, and particularly in the case of conventional forces, most of all reflects the enormous economic problems that the Soviet Union faces, and that are a challenge and indeed I think ultimately a threat to Gorbachev's leadership. The U.S.S.R. must therefore reallocate resources leading perhaps to a willingness to look at this massive buildup in a way differently than they have looked at it for the last 25 years.

Therefore, they may in fact be willing to undertake major cuts. There is no question that if they are going to save money in their military, the main money to be saved is in conventional forces.

But I have to underscore that "if." It may be, as I said, that the purpose is much less benign than that, the purpose is to create an atmosphere of negotiations where they can achieve some of their goals of splitting the Western alliance by negotiating.

I think what we have to do is test that proposition to find out whether they are serious. If they are serious, it is an opportunity that we must not throw away. If they are not serious, we have got to be very careful that we ourselves do not fall into some kind of a trap.

But there is no question that the economic problems that Gorbachev faces are very serious. That has led to what he talks about as the "new thinking". The "new thinking" has led to some genuinely new moves, like the withdrawal from Afghanistan.

But it has also led to a lot of typical old-fashioned moves, like Su-24's to Libya or some very unserious arms control proposals that we face. So I think the important thing for us is in a sense less to decide whether he is sincere or not than to give him a test, to put a proposition to him. That is what the President has done with this proposal.

Senator **Gorton**. A question for both of you on the subject which caused the spirited group of questions from a large number of members an hour or so ago. That has to do with what seems to me to be the different impact of our proposal on the Soviet Union and the United States on one side and on our NATO allies in Europe and presumably the Warsaw Pact allies of the Soviet Union on the other side.

### DEMOBILIZATION OF TROOPS

Am I correct in having taken your answers to those questions as, first from the point of view from demobilization of troops in the United States and the Soviet Union and the destruction of equipment, that that would take place only within the frame of reference of the 30,000 troops we would remove and the larger number of troops they would remove, but that from a perspective of the future there is no limit on the United States' production of tanks? There would only be a limitation on how many we could put into Western Europe.

By the same token, there is no limitation on the Soviet production of tanks as long as they stash them east of the Ural Mountains. On the other hand, Great Britain, France, West Germany would have a very real limitation on the production of tanks, because they would have to destroy one new one, one of them, for every one that any other one produces. And I presume the same thing would be true for East Germany, Britain.

Perhaps Canada, I guess, would be outside of that limitation. Would Great Britain be outside of that limitation if it stashed its new tanks in Canada?

Are we not creating two classes of allies by this set of proposals, one the Soviet Union and the United States, plus perhaps Canada, that can do whatever they want as long as they keep them out of Europe, and a whole set of other allies on both sides that cannot do whatever they want because they will have to destroy one weapon for every new one they produce?

Ambassador **WOLFOWITZ**. I think in reality that, if you look, I do not believe NATO tank levels have gone up very much over the last years. So that would mean that in fact, in practical terms, even facing a very, very large Soviet threat, we have not been doing a whole lot better than one for one replacement.

It seems to me if you are talking about a context that we have not seen for 40 years in Europe, of conventional parity, I doubt if our allies would feel burdened by having to limit themselves to one for one replacement. In fact, I imagine we will probably be trying to push them to get that far and to keep their tanks modern and up to date.

So I think it is more a theoretical concern, and yes, there is a theoretical issue any time you draw a line anywhere, and one of the things that has made it very hard to come up with this really very creative NATO proposal has been the concern of allies about creating invidious distinctions.

But I think in the end there was a feeling that it was terribly important to get this Atlantic to the Urals notion, because that is something that made military sense. That is something that at least got the Soviet forces far enough east to really make a military difference.

Senator **GORTON**. One brief question. But when you say "Atlantic to Urals," the United Kingdom is inside that, not outside it?

Ambassador **WOLFOWITZ**. Definitely, definitely, and so is Iceland.

General **HERRES**. I just might add, Senator, it is hard to imagine reaching an agreement, if we are going to have a conventional arms control agreement, that is not going to impose some similar kind of constraint. There is going to have to be a constraint. It is sort of the price of being there.

But it does apply on both sides. It applies in Eastern Europe as well.

Chairman **NUNN**. Thank you, Senator Gorton.

Senator Dixon.

Senator **Dixon**. Thank you, Mr. Chairman.

May I first say that, General Herres, in your original remarks you helped to at least contain some of my reservations about what is being done here. I think I share the enthusiasm of most members for the general import of what the President has attempted to do, and I support the concept and hope that in the end I can enthusiastically support the final result.

Several things are a little difficult to figure out when you read the interpretation placed upon the discussions and what the White House has indicated to us it says. It says that each side would be obliged to reduce its holdings to a level 15 percent below the current NATO level, all reduced equipment would be destroyed. That is what the White House statement says, "all reduced equipment would be destroyed."

I think some of us would hope that, in the context of our limited ability to provide modernization in this committee, that we could bring back here our good tanks, our Bradley fighting vehicles and other things, and destroy other, older equipment, and provide the National Guard, the Reserves and others with some of this better equipment.

But I do not see that as being possible under what is stated here. What is your interpretation of that?

General **Herres**. Sir, we think it is possible. 15 percent—well, in the case of the tanks it is a little less than that, actually, the ceiling will impose a smaller percentage cut.

Senator **Dixon**. It looks like there will be a cut of 2,200 and 24 if the numbers were exactly right.

General **Herres**. Right, about 10 percent.

Senator **Dixon**. But now you are saying you could take some good tanks——

General **Herres**. There is plenty of flexibility.

Senator **Dixon**. You could take those good tanks back here and get rid of old equipment over here?

General **Herres**. What I am saying is that the 10 percent that we have got to take to get down to that 20,000 will be old tanks.

Senator **Dixon**. You are saying that over there on the ground you have got enough old tanks?

General **Herres**. Yes, sir.

Senator **Dixon**. Would that be true right up and down the line, with artillery, personnel carriers, and other things?

General **Herres**. Yes, sir.

Senator **Dixon**. So that in effect what you are saying to this Senator is we are not going to get rid of any of the good stuff anyway?

General **Herres**. It is important for us to preserve flexibility and not get locked into how or where we have to take these cuts. We have to look at this from the viewpoint of ceilings.

Senator **Dixon**. Would that be true with the helicopters and other things as well?

General **Herres**. Yes, sir.

### COMBAT MANPOWER CUT

Senator **Dixon**. Now let me read this to you:

The United States takes a 20-percent cut in combat manpower in U.S. stationed forces, with a resulting ceiling in U.S. and Soviet ground and air forces stationed outside their national territory in the Atlantic to Urals zone of approximately 275,000 each. Withdrawn soldiers and airmen on both sides would be demobilized.

Now, is that literally what it means? That is to say, one would hope that we can take our better combat-ready people over there and bring them back here. I do not have any problem with force reductions, but that we could bring people back and make a selected force reduction, is that possible?

General HERRES. I see what you mean. In other words, the individual soldier does not necessarily have to be mustered out.

Senator DIXON. That is right.

General HERRES. No, sir.

Senator DIXON. It is just the numbers?

General HERRES. That is right. I mean, we are going to have to take those numbers out of Europe and the forces that we take out to meet these numbers will be demobilized.

Senator DIXON. You are satisfied that that is the interpretation that will be placed upon it? Because a fair reading of this I would say would cause one to draw a different interpretation.

You understand that? It says here "Withdrawn soldiers and airmen on both sides would be demobilized." Now, the imperative of that would be that the guy standing there is the guy that is out. But you do not mean?

General HERRES. No, sir. The Alliance statement, the declaration of the heads of state governments reads: "The United States and Soviet forces withdrawn will be demobilized." "Forces withdrawn will be demobilized."

Senator DIXON. Okay.

Now, another thing. I do not quite get the nuance here. In talking about this reduction, we have 325,000 people over there, not counting dependents, is that roughly right, 305,000 or 325,000?

General HERRES. 305,000 is the air and ground forces.

Senator DIXON. All right. Now, let us use 305,000 for now. Now, the mathematics in the sheet they give me says a 20-percent reduction, and the number they get is 30,000. Now, obviously a 20-percent reduction of 305,000 would be 60,000. But they are saying: "Thus, a cut of 30,000 would represent about 20 percent of U.S. ground and air combat manpower."

So I take it the math they are doing here is of the 305,000, we would reduce 30,000, which in effect is really only 10 percent of the number, but they argue is 20 percent of the combat number.

Am I doing my figures right?

General HERRES. Sir, we have two categories of force structure, as I mentioned earlier, and you may not have been here.

Senator DIXON. I was here, but I want to go to the next question.

General HERRES. Okay.

Senator DIXON. The next question is, but it says on the next sheet: "The Soviets distribute its reduction and it is their choice." And my question there would be, why are we taking the whole 20 percent out of the combat people and saying to them, you can do it any way you want to?

I know our numbers are smaller.

General HERRES. Yes, sir.

Senator **Dixon**. That is obvious.

General **Herres**. First of all, we do not want to sit down with the Soviets and try to negotiate what is combat manpower and not combat manpower and how we are going to get into this.

What we want to negotiate with the Soviets is a ceiling of 275,000 and a definition for what will be included in that ceiling. That is going to be complicated enough to negotiate, to define, and of course verify. So what we are really talking about is that the 20 percent characterizes what the effect is on our force structure.

Senator **Dixon**. Yes, but you are really saying 275,000 on each side.

General **Herres**. Yes, sir.

Senator **Dixon**. Which is okay with me if you say it that way. In effect, though, I do not know why we have to assert we are going to take all combat people to get down to 275,000.

Why do we not just negotiate 275,000 on each side, say you do it your way, we will do it our way? Now, if I was doing it I do not think I would take all combat people. That would be the intelligence I would employ, but I could see how others might differ.

General **Herres**. That is exactly what we intend to do, negotiate the ceiling, not negotiate what we would take out. And I think we are probably right on the same wavelength, Senator.

But it would be logical for us to take out combat forces and associated forces and make sure that we have got the infrastructure in place to be able to receive and support deploying forces if we have to reinforce, if we have to go back over there.

That is what we are really after.

Senator **Dixon**. I would only want to say in conclusion—my time is up—I do not have any argument with anything you have said, but I would stick to the 275,000 and not talk a lot about 20 percent combat, just talk about 275,000. Let us do it our way and let them do it their way and get the same number.

General **Herres**. And then that is what we propose to negotiate.

Chairman **Nunn**. Thank you, Senator Dixon.

I believe Senator Thurmond is next.

Senator **Thurmond**. Thank you.

I want to congratulate both of you on your confirmation by the Senate. I am glad to have you here, and I want to say in the beginning, too, that I heartily agree with the course followed by President Bush.

I think he was cautious, I think he was deliberate, and I think he held his calm and his poise and handled himself in a beautiful manner over there. In the end I think he is going to get results.

Now, speaking about the 275,000, did you mean that for Army and Air Force, or would that include the Navy?

General **Herres**. Just the Army and the Air Force.

Senator **Thurmond**. All right, 275,000 Army and Air Force. Speaking about the combat and others, I understood you to say that that would be left to us to determine what the nature of the troops, whether combat or support?

General **Herres**. Yes, sir.

Senator **Thurmond**. Well, is the word "combat" in the agreement?

General **Herres**. No, sir.

Senator THURMOND. That would bind us anywhere?

General HERRES. No, sir.

Senator THURMOND. Where did he get that word from? I just wondered?

General HERRES. Well, to characterize what we are taking out or what we propose to take out, we are describing it as about 20 percent of our combat manpower in Europe, that is, in the combat forces and those forces that are directly associated with them.

It would be from that base that we would take a 20-percent cut.

Senator THURMOND. General Herres, the Baltimore Sun carried an article in yesterday's edition which indicated that the Joint Chiefs of Staff supported the President's proposal, although there had to be some give and take.

The article further continues that the Supreme Allied Commander in Europe and some of his military leaders may not be as supportive. Is there any question about whether we are all together on this?

General HERRES. No, sir, and I do not know what the individual who wrote that article's source is. But General Galvin has been informed and consulted and is supportive. He has a lot of work to do to work out the details.

Senator THURMOND. It seems to me that when someone writes an article like that they ought to get it right, because that deceives the public when they do not.

General HERRES. I agree.

Senator THURMOND. What were General Galvin's objections to this proposal? Did he have any and were they overcome, if you know?

General HERRES. They were all overcome, sir, and I do not know what the specific objections would be.

Senator THURMOND. They have been resolved, in other words.

General HERRES. Yes, sir.

## TANK CEILING

Senator THURMOND. In the Soviet troop reduction proposal filed in Vienna this week, they propose a ceiling of 20,000 tanks per side. Their limit includes the stored or prepositioned tanks that we have in Europe. Does the President's proposal include these stored tanks and weapons systems?

General HERRES. We have to discuss and work out what we are going to do about any sub-limits within this 20,000, if there are to be any in that category. And that is a detail we have yet to work out, exactly how we are going to handle that.

Senator THURMOND. That has not quite been worked out yet?

General HERRES. We have the Atlantic Ocean between ourselves and Europe, which slows down the rate at which we can reinforce. We have transportation nodes that we have to move equipment through and we need some compensation for that. And the extent to which we can be compensated is a detail which would need to be worked out.

## ROLES AND MISSIONS OF NATO ALLIANCE

Senator THURMOND. Secretary Wolfowitz, prior to any implementation of the President's proposal, it would appear that there would have to be some changes in the roles and missions of the NATO Alliance. These changes may be as difficult to negotiate as the troop reduction themselves.

What are the administration's and NATO's time limits in resolving these issues?

Ambassador WOLFOWITZ. Senator, I do not think we have set time limits for ourselves. We have given some thought, partly at the urging of this committee, to the whole question of specialization, and I believe in fact there was a report submitted to this committee by the administration on the question of specialization.

I think the kinds of issues that have come up here today about which kinds of aircraft get destroyed, which kinds of tanks get destroyed, will in fact force us as an Alliance more deeply into that question, and I would agree it needs to get a fairly urgent look.

But in the pressure of trying to develop this proposal in a responsible way and to do it quickly, we really have not had time for that in the last few weeks.

Senator THURMOND. I would like to ask both of you, do any of the proposals that have been suggested appear to have a weakness for which you feel some steps should be taken?

General HERRES. No, sir. What we need to do is be careful as we negotiate this. Conventional arms control negotiations are bound to be very complicated. Verification procedures are bound to be even more complicated and challenging and difficult.

But if we can get the kind of reductions and the parity that this proposal can lead to, we will very, very significantly decrease the possibility of a sudden outbreak of war in Central Europe.

Ambassador WOLFOWITZ. I agree with that judgment, Senator, on both points. I would think that we have to negotiate very hard on those key points, such as definitions of aircraft, that are central to this proposal. But I think if we do that this is in fact a very good proposal and one that, I would add, responds very much to the kinds of concerns and points of view that the Department of Defense expressed during the course of developing the proposal.

Senator THURMOND. Now, some people have expressed the opinion that, since we are going to get these reductions, then they are expecting the defense appropriations to greatly reduce. In my opinion it would be a terrible mistake if we did not keep our defenses strong at all times until this matter is completely carried through and implemented, and even then to keep an adequate defense thereafter.

What is your opinion?

General HERRES. I agree with you wholeheartedly, Senator. We have got to be very careful about not getting ahead of reality with every bit of what is going on here, and there is a great tendency to do that.

But if we are successful in this conventional arms control adventure that we are embarking upon, we will relieve future generations and those who follow me and my colleagues some years from now, of a considerable burden that this country will have to bear, if we can defuse the situation in Central Europe in this way.

Senator **Thurmond**. Thank you very much.

Mr. Chairman, I ask unanimous consent, in order to save time, that my opening statement appear in the record.

Chairman **Nunn**. Thank you, Senator Thurmond. Without objection, your opening statement will be submitted and be part of the record.

[The prepared statement of Senator Thurmond follows:]

### PREPARED STATEMENT OF SENATOR STROM THURMOND

Thank you, Mr. Chairman. I join you in welcoming Secretary Wolfowitz and General Herres. Since this is their first appearance before the Armed Services Committee after the Senate's confirmation of their nomination, I want to publicly congratulate them and wish them both the best.

Mr. Chairman, if there was any doubt on what President Bush's response would be to Secretary Gorbachev's initiatives, I believe it was resolved by Monday's disarmament proposal. The President's proposal is innovative, bold and clearly tests Secretary Gorbachev's sincerity in regard to troop reductions.

Although the United States was criticized for its lack of response to the proposed Soviet troop reductions, I believe the President's cautious, deliberate decision process was appropriate. In a poll taken earlier this month, 78 percent of the people polled approved of President Bush's job in handling relations with the Soviet Union. I am confident that this latest initiative has the support of the American people and I trust that it has the support of this Congress.

The President's proposal is a long way from becoming an agreement. There are many issues still to be resolved. I agree with the majority who say that the 6 month to a year timeline set to finalize an agreement is not realistic when you consider the history of the conventional arms reduction talks. Regardless of how long it will take to reach an agreement, I urge this committee to show its support for the negotiations by ensuring that our defense posture remains vigilant and strong.

These negotiations should not be used as pretext to reducing the defense appropriations. The Soviet Union's record in complying with agreements is not perfect, even under Gorbachev, and we must be prepared for all eventualities. We have reached this moment in history because the United States and its allies were dealing from a position of strength. We cannot abandon that posture.

Thank you Mr. Chairman.

Chairman **Nunn**. Senator Kennedy.

Senator **Kennedy**. Thank you, Mr. Chairman.

There has been reference to where Phase One, Phase Two, and where potentially this whole process may lead us. And what we have now is the President's response on the Phase One proposal.

There has been by the Soviet Union a Phase Two proposal, which moves to about 25 percent in terms of reduction. Looking down the road, there have been various studies, outside experts that have evaluated what percentage reductions down the road would mean in terms of various security interests of NATO.

Gary Brightman did one that said that the NATO defense position is best situated with a 70-percent reduction. General Goodpaster has spoken to a 50-percent reduction.

Has the JCS begun to look down the road, if this is able to be achieved, where percentage reductions and how those might take place, what would be the form, what we might be able to expect, without getting into obviously security matters?

Maybe at some appropriate time it would be worthwhile for the committee to hear that out. But what can you tell us just generally are the JCS doing at the present time in thinking whether you are going to be able to respond to the Phase Two proposals of the Russians and the third phase that would give us an indication that the security interests are going to be preserved?

General **Herres**. Yes, sir, we have discussed these possibilities quite a bit, and the problem does get complicated once you get below the 15 or 20 percent level. We are doing some studies, although every once in a while they get put on the back burner while we address a current problem.

But we are looking down the road at how one addresses the problem of the next step or the next increments after something like this proposal is actually implemented.

I think we had plenty of time on this. I think what is important here is that we are talking some very, very deep cuts in the Soviet and the Warsaw Pact force structure. Personally I think by the time we get through there will be some very innovative and intrusive verification procedures.

We have to see how all that works before we take the next step, because the next step will probably involve some modifications to strategy and doctrine that we had adhered to and trained to and planned to for quite some number of years.

We have got to examine the impact of further cuts on all of that, and that is going to require very careful analysis. But we have time to do that.

Ambassador **Wolfowitz**. Senator, could I just add a comment?

Senator **Kennedy**. Yes.

Ambassador **Wolfowitz**. Because that Soviet notion of 25 percent cut in Phase Two has been about a bit, and it led people when it first came out to say that we were not ambitious enough in the West, that the Soviets are ready to go to even lower levels.

We said: Wait a minute, that is 25 percent, but below the Soviet view of NATO levels; and since the Soviets attribute unrealistic numbers to us, we said let us see the numbers.

We did not get the numbers from Gorbachev until early May, when Secretary Baker was in Moscow, and those numbers, if I could just take tanks as an example, would go not to 20,000 in Phase One, but to 25,500 in Phase One; in Phase Two, to 21,500; and not down to our 20,000 until Phase Three, which is where we get to 1996-1997.

So that is what led us to say: Look, we like where you get, but you get there in phase three; let us move that up. And now some people are saying we are moving fast, and, yes, we are moving fast.

Senator **Kennedy**. The point is you are going to have to have, obviously, agreement in terms of the numbers for departure in any event. But it seems to me that if we are going to—you are talking about 1992, I guess, in terms of the—1992-1993 for the Phase One—the required rethinking of military strategy, what you have outlined earlier, seems to me to be something of importance even at this period of time.

Having some benchmarks in terms of what we know we are going to be in terms of the security interests, both of NATO and the West, I think is useful to develop.

Let me ask you, with regards to the various equipment that is over there, had you planned to use any of that equipment for the Reserves or the Guard if it was not being destroyed?

General **Herres**. I cannot make any promises in this regard, but my instincts are that there may be an indirect, if not a direct, effect on the Reserve Forces, because as we redistribute equipment, take out old equipment and redistribute it in order to draw down to these ceilings, that effect will back up.

I mean, what we are going to buy in the way of our modernized force structure has been pretty well cast with our modernization program. We are not proposing any changes to that.

We are proposing demobilizing older equipment faster, which in effect is——

Senator **Kennedy**. So none of this equipment would have been used or transferred back to the Reserve or Guard units? We are not going to get into a situation where we are destroying out there and repurchasing?

General **Herres**. No, sir. No, sir, we are not going to take M-1 tanks that might have gone to the Guard and destroy them.

### VERIFICATION

Senator **Kennedy**. On the point of verification, you mentioned very briefly the complexity that we are going to face on this issue. There is no question, as all of us understand, that the Soviets have a very substantial backlog within the Soviet Union that can be moved around.

We have, obviously, the Atlantic Ocean. The President responded to that with the destruction of equipment in the first phase. But nonetheless, if there were to be violations or the movement even within the treaty, of the Soviet Union with heavy equipment, moving those from other places in the Soviet Union to greater proximity in terms of Eastern Europe, the only way we are ever going to be able to get back there is really with sealift.

That is going to become, I imagine, even more important if we are able to see progress made in terms of these other areas.

Do you address this area? We have the eight fast sealift ships, according to our own hearings, moves one division from the United States to Europe in approximately 10 days. What are you going to recommend with regards to sealift?

It seems to me that that would be the most important kind of protection if there are going to be violations of this treaty. Hopefully, we all hope that there are not. But if there were going to be, we are going to have to get the equipment back there.

The only way you are going to be able to do it is with the sealift. That is going to become more and more important as we look at the potential of being able to get further kinds of progress, whether we can get that or not.

You are taking that into consideration?

General **Herres**. Yes, sir.

Senator **Kennedy**. And what recommendations do you have?

General **Herres**. Our mobility forces are going to be even more important in this context, not just the sealift, airlift and sealift both.

The sealift happens to be a very significant deficiency right now and that is why we are pushing for some new initiatives under the umbrella of a national policy which we are working on now. We still expect to have some prepositioned equipment in Europe. I cannot tell you exactly how that is going to come out because, as I say, there is a lot of work that has to be done within the Alliance, and then again in Vienna.

But I would expect that we are going to have prepositioned equipment so as to be able to rapidly reinforce and to compensate for this difficulty vis a vis the Soviets. And we will take out older equipment from that stockpile of prepositioned equipment. In fact, a good bit of it will probably come from that.

But you have identified one of our most significant deficiencies, and it is a high priority matter to deal with the shortfall of the sealift.

Senator KENNEDY. My time is up, but I will submit some other questions on it. Thank you very much.

Chairman NUNN. Thank you, Senator Kennedy.

Mr. Wolfowitz, you mentioned you needed to leave about 3 o'clock. General Herres, do you have a time problem also?

General HERRES. Yes, sir.

Chairman NUNN. Could you give us 10 more minutes so Senator Cohen and Senator Shelby could ask some questions?

Ambassador WOLFOWITZ. Yes, sir.

Chairman NUNN. Senator Cohen.

Senator COHEN. Thank you, Mr. Chairman.

### COMPENSATORY REDUCTIONS

Just to follow up on what Senator Kennedy was just talking about, seeking compensatory reductions or perhaps even increases on the United States side to compensate for the Atlantic, it seems to me we also have to cast a very critical eye upon the Soviet rate of submarine production.

On the one hand, if you are just talking about seeking on-site compensation, that will never compensate enough to offset the tremendous increase in the Soviet submarine production, the rate of production, which has increased dramatically in recent years.

I do not think enough publicity has been directed toward it. Also, my colleague from Virginia made the statement that we would have to make a persuasive case to the American people if we are going to continue the current funding level of defense while this proposal is pending.

I would simply say that we have to make the same argument we made during the long debate on the INF Treaty, that we had to build Pershing II's and ground-launched cruise missiles in order to bargain with the Soviets, we had to deploy the Pershings and the GLCM's in order to destroy them ultimately.

That is part of the paradox of deterrence, and I think that cutting the Defense budget before verifiable reductions have been accomplished would make the German rush to a nuclear-free zone or country look like a declaration of peace through strength if we were to do that. So I hope that we can indeed maintain the level of funding until such time as these cuts are achieved.

I looked at that chart and I was intrigued with the characterizations. You have combat aircraft, and the question I have is does it include the Backfire bomber?

General **Herres**. It does include Backfire bombers, if they are in the Atlantic to the Urals.

Senator **Cohen**. Have the Soviets agreed?

General **Herres**. Well, we have not negotiated this with the Soviets. This is our definition. This is our proposal.

Senator **Cohen**. Well, you may recall during SALT II they maintained that, even though it had a long-range capability, it was intended to be used for medium-range missions.

General **Herres**. Yes, sir.

Senator **Cohen**. I think that we have to go back to that and make sure that it is not now characterized as a strategic bomber as we are negotiating this.

General **Herres**. Yes, sir.

Ambassador **Wolfowitz**. It seems, Senator, that any port is good in a storm. The Soviets in the conventional talks say that the Backfire should be excluded. They have a very funny definition of aircraft, which is flatly unaccepted to us.

Senator **Cohen**. Well, I think we go back to the debate that took place on SALT II and not allow them to have it both ways.

Second, my understanding is that in defining artillery the Soviets are seeking to include small caliber launch tubes, and that of course would offset a tremendous advantage they have in artillery by including, let us say, antitank weapons, for example TOW missiles and others.

I think you have to be very careful as you approach that. On the one hand, it seems to me that you can argue persuasively, that possession of TOW weapons really would be useless if there are in fact no threats from tanks, but not allow them to use that as a counting device in order to offset their already considerable advantage on artillery.

General **Herres**. We had a problem finding out what their definition was, and we had two theories. One of them was that they were including weapons down to 75 millimeters; the other one was that they were including antitank guns above 100 millimeters.

We think we have got that resolved now. Our understanding for their definition for the figure that they proposed is antitank guns above 100 millimeters. So I think we got the smaller caliber thing worked out. It is all 100 millimeters and above.

Now the thing we have to work out with them is, are we going to include the antitank weapons? Off the top of my head, I do not think we have any problem with that, but there are going to have to be some adjustments made to the numbers.

Senator **Cohen**. Would you correct me if I am wrong on this. My understanding is that Mr. Gorbachev has double the number of SS-21 missile launchers deployed and is deploying Scud missiles to replace the SS-23, which of course is being destroyed under the INF Treaty, and that they are continuing to deploy a number of nuclear systems not covered by the treaty, such as self-propelled artillery and the new tactical air to surface missile, the AS-16.

Could you comment on that?

Ambassador **Wolfowitz**. That is correct, Senator. I think it makes a mockery of their suggestion that Lance modernization would undercut the INF Treaty. It is very clear, and it has been clear in the negotiating record, that short-range systems are not included and they can be modernized and the Soviets are modernizing theirs at full speed.

Senator **Cohen**. The point has to be made, and I hope to make it at some length a bit later, that it does point out the hypocrisy of the statement of not only the foreign minister, their foreign minister, making a declaration that, we can no longer comply with the treaty, we are not going to destroy the SS-23 in view of the United States and the allies trying to comply with what is allowed, whereas the Soviets are doing precisely the same.

### AERIAL OBSERVATION

Let me move on to another point, aerial observation. The President's proposal about open skies has been ridiculed by some as being little more than an obsolete concept and a public relations ploy.

From a military point of view, General, is there merit to having an open skies policy in order to verify the kind of troop movements and exercises and the presence of various systems that would be curtailed or reduced under this agreement?

General **Herres**. Yes, sir, I think there is. We have to be careful how we implement such a proposal and those considerations were taken into account when the President's proposal was developed.

But there are a lot of opportunities there, and the Soviets have two and a half times the size land mass that we have and it is a lot to keep track of what is going on over there. An open skies policy would help.

### CONFIDENCE BUILDING MEASURES

Senator **Cohen**. About a year ago, a group of us were in the Soviet Union and there was some talk at that particular point or suggestions about confidence-building measures dealing with prenotification of troop movements, of training exercises, and various training missions.

Are we in the process now of negotiating or at least putting together some kind of memorandums of understanding in terms of how we go about achieving these confidence-building measures?

General **Herres**. In fact, we are implementing those that were negotiated and agreed upon at Stockholm. I think you are aware of that. And we are conducting inspections—as a matter of fact, I just saw a report the other day of the most recent inspection—with regularity, not only ourselves, but our allies as well.

There are negotiations ongoing now to look at additional confidence and security-building measures in Vienna. And since that is more in a policy stage right now, I would defer to the Secretary for that.

Senator **Cohen**. My time is up. Thank you, Mr. Chairman.

Chairman **Nunn**. Thank you, Senator Cohen.

Senator Shelby.

### VERIFICATION

Senator **Shelby**. Let us get back into verification. A lot has been mentioned, but no detail. What is your concept, Mr. Secretary, of the kind of verification that you would bring to the table as a proposal? Because no agreement, especially a conventional arms agreement, will work unless you have some type of baseline and continuing verification.

I do not believe a lot has been talked about here, and I realize this is in a proposal stage.

Ambassador **Wolfowitz**. It is in the proposal stage and you are absolutely right that verification is going to be central to making this kind of agreement work.

Senator **Shelby**. What type of verification would you have as far as a concept?

Ambassador **Wolfowitz**. I think the answer is that it is going to have to be quite intrusive. It is going to have to include a lot of close-up observation.

One of the reasons why Open Skies is not an obsolete concept is because we are talking about an entirely different kind of arms control regime, where you will have to monitor things quite closely.

We have a verification working group of the NATO allies that held its first meeting this April, and this week in fact representatives of all the NATO nations met in Canada for a seminar on verification and discussed this.

Senator **Shelby**. How is your bean count going to start to define where the people are, where both sides are? You have got to do that first, establish a baseline of weapons, troops, et cetera.

Ambassador **Wolfowitz**. That is right, and you also have to get a baseline that shows that the two sides have something like a common understanding of what they count as a tank, for example, and how many there are. And one cannot exaggerate the difficulty of that problem.

We spent a long time in the MBFR negotiations in Vienna just over those issues.

Senator **Shelby**. But is that not going to be one of the central planks in this whole agreement, is verification? Without it you have nothing?

Ambassador **Wolfowitz**. That is correct, Senator.

Senator **Shelby**. Based on the past history of our dealings with the Soviet Union and the Warsaw Pact nations.

Ambassador **Wolfowitz**. That is correct, Senator. So we have got our work cut out for us.

Senator **Shelby**. So at this point you do not have a lot of proposals for us?

Ambassador **Wolfowitz**. Not yet. But we in fact have to have them very quickly, not just for you but also to start negotiating them with the Soviets.

Senator **Shelby**. I think the American people would feel better if they had some real verification and then maybe some trust-building after that.

General Herres.

General **Herres**. Yes, sir. I would amplify what the Under Secretary said. In my view—and we have argued this for some time now—in all of our negotiations, not just the conventional, the first step is to get the data exchange and the definition problems solved, because that is the first demonstration of good faith from the other side.

If he tells you he has got *X* number of system Y and you have a good way of verifying that that is the right number——.

Senator **Shelby**. And in the past you have never been able to do that, right?

General **Herres**. Well, that is right. We need to get a lot better at that, and we learned a lot from the INF Treaty. I think we are learning a lot from the confidence-building measures that we are implementing right now.

I think these inspections are giving us a lot of insights, not to mention opening of visits from one side to the other, the Chairman's trip to the Soviet Union; and he will take along with him the Vice Chiefs of each of the services later this month.

Each one of those I think helps contribute to the building of the possibility for the kind of creativity I referred to earlier, and that is going to be important.

Senator **Shelby**. Thank you.

Thank you, Mr. Chairman. I think we have a vote.

Chairman **Nunn**. I think that is the 5-minute bell up there. I just want to ask one question and then I will defer to Senator Warner.

### JOINT CHIEFS ROLE

General, how much were the Joint Chiefs consulted in the putting together of this proposal? What role did you play, what role did Admiral Crowe play? What role did the Chiefs play?

General **Herres**. We were involved right from the very outset. When we began this whole proposition, the Chairman was out of town. I attended the meeting at the White House. We began work on that. The Chairman got back in town 2 days later, and every day we were analyzing each idea, each concept.

Chairman **Nunn**. "We" being you and the Chairman? Where were the Chiefs?

General **Herres**. The JCS, the JCS corporately.

Chairman **Nunn**. All the members were part of the process?

General **Herres**. Yes, sir. In fact, meetings were held over the weekend.

Chairman **Nunn**. When did this timeframe start? You said the Admiral was out of town for 2 days of the meetings. When did you start getting involved?

General **Herres**. Two weeks ago last Monday, the active part of this process began. I must add that we have been looking at all kinds of ideas.

It is kind of part of an ongoing process. As we have been working issues, we have been involved in the development of the CFE positions all along. So it is not like these are suddenly thrust upon us as new questions and new issues. It was an expansion of previously accomplished activity with a focus on some specific concepts.

When we got the political guidance, we were deeply into it all the way through.

Chairman **Nunn**. Now, under Goldwater-Nichols was there any difference in the way this was done and the way it would have been done before Goldwater-Nichols?

Senator **Warner**. Better answer that for the record. [Laughter.]

Chairman **Nunn**. I do not want a corporate answer on that one.

General **Herres**. I will give you a Bob Herres individual viewpoint.

Chairman **Nunn**. That is fine. I want your individual opinion.

General **Herres**. I think we did a better job than we would have without the new law.

Chairman **Nunn**. Would you say that into the microphone and a little louder?

General **Herres**. I think we did a much better job than we would have without the new law. And I added the "much" the second time I said it.

Chairman **Nunn**. Why is that? I think this is important.

General **Herres**. Well, I think the designation of the Chairman as the principal military advisor certainly facilitates the process. But you at the same time preserve the right and responsibility of each individual Chief to provide his own individual advice, which of course——

Chairman **Nunn**. In other words, Admiral Crowe knew that he could give his opinion and did not have to negotiate each and every detail on a corporate basis?

General **Herres**. Exactly, exactly.

Chairman **Nunn**. And yet, the Chiefs could give their opinion if they viewed it differently.

General **Herres**. That is right. So consultations with the Chiefs were important at every step of the way. In fact, we needed the Chiefs' help because their staffs can provide us with material and details that are beyond the capabilities of our own staffs.

Chairman **Nunn**. Did any of the Chiefs dissent or give a separate view?

General **Herres**. No, sir.

Chairman **Nunn**. Senator Warner.

Senator **Warner**. Thank you, Mr. Chairman.

The time does not remain for questions, so I will just make a statement. Part of the Goldwater-Nichols Act was an amendment that I and then-Congressman Cheney put in calling for that annual strategy review and report. I have taken careful notes here that you said that that report, if I understood you, will reflect a greater emphasis on mobility forces, i.e., sea and air.

It seems to me that we have to begin with that report to realign these roles and missions to reflect the direction which this President courageously is leading us in the arms control arena. We cannot just have one-third one, one-third one, one-third hereafter.

We have got to begin to readjust the roles and missions of our Armed Forces for the long term acceptance of these proposals. That is this Senator's view.

Chairman **Nunn**. Senator Warner, I think you are exactly right. There is a challenge here, in terms of looking at the U.S. position in NATO and how it is going to evolve over the next 10 years.

I am not saying we have to do it immediately, but we have to decide, particularly looking at us playing a more mobile reserve role rather than an absolute, locked-down, protecting the front line in every aspect, although I think we ought to play a role in both ways.

I think this is of profound importance, that we sort out our own long-term plans within the Alliance, both under arms control possibilities and even if they do not occur. I think that kind of review is overdue, but that is for another day.

Thank you, Mr. Secretary, General Herres, for being here. We appreciate it, and I hope you express our appreciation to both Secretary Cheney and Admiral Crowe for responding quickly to our request for this hearing. It has been a very valuable hearing and we will continue it later.

Thank you very much.

[Questions for the record with answers supplied follow:]

### QUESTIONS SUBMITTED BY SENATOR J. JAMES EXON

#### LIMITING SOVIET PRODUCTION

Senator **EXON**. Secretary Wolfowitz and General Herres, as someone who has long believed that it is the conventional imbalance in Europe which is most likely to be a source of instability during a crisis, I welcome the President's latest proposal and Gorbachev's apparent willingness to make deep cuts in Soviet forces. However, I think that NATO will remain at a significant disadvantage unless restraints are also imposed on Soviet military equipment production capabilities. For example, we know that in recent years the Soviet production of tanks and self-propelled artillery has actually increased. Given that they out-produce both our nation and NATO combined in just about every category, the Soviets would be in a position to re-arm much more quickly than the U.S. and NATO. Do you share this concern? Is it factored into the President's proposal? To what extent is it going to be a factor in the negotiations and our willingness to sign an agreement?

Mr. **WOLFOWITZ**. We do share your concern and have considered the East's advantages in production in developing our proposal. We do not envision treaty limits *per se* on production, nor do we want a treaty which allows the Warsaw Pact the opportunity to circumvent ceilings on treaty limited items via its enormous production capabilities. This is one of the areas that will be addressed in fashioning a verification regime.

General **HERRES**. The treatment of military equipment production facilities in the Atlantic-to-the-Urals zone is a concern. We are currently examining ways to deal with these facilities in the context of a CFE agreement.

#### LIMITS ON AIRCRAFT

Senator **EXON**. Getting an agreement on the types and numbers of aircraft is going to be extremely difficult. The Soviets seem to have a great fear of NATO's aircraft and always downplay the rapid improvements being made to their own aircraft. Since aircraft can be deployed relatively quickly, how significant will limits on aircraft deployed ONLY in Europe be? Should we also try to constrain the numbers of hardened aircraft shelters and support facilities in Europe in some way or would those hinder more than help our military objectives?

Mr. **WOLFOWITZ**. The mobility of aircraft and the reversibility of reductions which you refer to pose certain arms control challenges which are not posed by ground forces. These factors were a major motivation for the Summit call for the destruction of reduced equipment. It would make no sense to negotiate treaty limits on aircraft which the East could reach simply by relocating aircraft from west to east of the Urals. These reductions could be reversed within hours.

So with a destruction requirement, verifying reductions is not difficult—what is more challenging is verifying compliance with residual ceilings. Even that is not terribly difficult at any given time, but the mobility of aircraft makes the timeliness of our knowledge of compliance the most important element.

Reducing infrastructure supporting aircraft is probably not in the West's interests. First of all, given the substantial civilian aviation infrastructure that exists in Europe (which can be used to support combat aircraft), removing only military infrastructure may not be meaningful. Second, such changes would generally tend to disadvantage NATO, which has less infrastructure to begin with than the Pact, and which already faces more difficult reinforcement circumstances.

General **HERRES**. The President's initiative seeks to establish equal ceilings on land-based combat aircraft in the Atlantic-to-the-Urals zone. If equal ceilings are achieved, the Warsaw Pact will have to eliminate many more aircraft than NATO. Thus NATO's defense posture will be enhanced because the Alliance will no longer have to contend with greater numbers of Warsaw Pact aircraft currently located in Eastern Europe. Furthermore, aircraft ceilings will reduce the potential for a Warsaw Pact surprise attack by constraining a highly mobile weapon system.

We do not favor placing constraints on hardened aircraft shelters and aircraft support facilities in Europe. We consider shelters and support facilities essential to our reinforcement capability. In addition to supporting aircraft currently based in Europe, this infrastructure would also support aircraft based in the United States that would be moved to the European theater in the event of war. The present infrastructure thus enables us to maintain our tactical air commitments to NATO.

### GETTING CREDIT FOR PLANNED FORCE CUTBACKS

Senator **Exon**. Gorbachev is getting the big headlines through promises including his promise to cut defense spending by 14 percent from an alleged $128 billion defense budget. If the Soviets are spending so little yet getting such huge forces, perhaps we should shop for weapons where they do. But the point is that he is scoring propaganda points. He withdraws 500 to 8,500 or more tactical nuclear weapons and the Europeans fall all over themselves in gratitude. Yet NATO's unilateral withdrawal of 2,400 nuclear weapons from a lower inventory gets no attention. In short, we are not getting credit for what we are doing. For example, our defense spending has declined 12 percent in real terms over the last five years; we will be deactivating an army mechanized brigade holding the fleet at 14 carriers and less than 600 ships; and eliminating one-fifth of our anti-sub planes. Certainly, economics is driving this. But that is EXACTLY what is driving Gorbachev. So why are we not doing more to get credit for what we have done and are doing? Why are these latest force structure reductions not being painted as a unilateral response to the Gorbachev initiatives?

Mr. **Wolfowitz**. I think it is true that we could do a better job of telling our side of the story, and contrasting the real restructuring and real cuts made in US force structure with the rather superficial (given the overall size of their forces) cuts announced for the Warsaw Pact and the Soviets in recent months. I also believe the NAC Summit decisions on CFE did a great deal to regain the initiative for the West. Publics saw our proposals for the far-sighted vision for the lasting peace that they represent.

We need to point out that claims of 14 percent cuts in a $128 billion Soviet military budget must be viewed with considerable skepticism and may be virtually meaningless. The Soviets themselves have said they have no reliable means of estimating the true costs of their military establishment, and our best estimates suggest the figure they published for total spending is off by at least half. By contrast, our budget process is perhaps the most open in the world, and we have made cuts that are significant and can be fully accounted for. We need to focus public attention on the enduring fact that the Warsaw Pact and Soviet forces remain far larger than the West's and far larger than can be justified by legitimate defensive purposes. Likewise, just as we did not match the East in building up its forces, nor can we match them as they begin to reduce them.

The need to tell the West's side of the story better is a problem we are well aware of, and that we are working to correct. I would offer one word of caution, however, which is that we do not want to get caught in a public relations bidding war with the Soviets in which important elements of US or NATO force structure are sacrificed to winning points in the PR campaign. We cannot base force planning and budgeting on the latest Soviet headline or press gambit.

General **Herres**. Rather than responding to Soviet initiatives, and thus potentially being perceived as reactive, the President has decided to take a proactive role in the CFE negotiation by offering his own initiative. I fully support the President's efforts to take the lead in seeking a more stable, secure Europe through a CFE agreement.

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## Questions Submitted by Senator John W. Warner

### REDUCING AIRCRAFT AND HELICOPTERS

Senator **Warner**. Secretary Wolfowitz and General Herres, the basis for the NATO proposed reductions, and even President Bush's proposals to reduce aircraft and helicopters, rests on our assessments and definitions of Soviet military capability. Yet major discrepancies exist between Warsaw Pact and NATO estimates of each other's forces. How would our proposals change if we were forced to accept the Warsaw Pact assessments and definitions of their forces?

Mr. **Wolfowitz.** I do not envision NATO being "forced" to accept Warsaw Pact definitions and assessments of their forces. This is an area for negotiation and where verification and monitoring procedures will play an important role. We are in fact already involved in this process in a working group at the Vienna negotiations that was established to discuss definitions and counting rules. This group is currently working on definitions applying to the categories of forces to be reduced, including listing the current systems that fit those definitions. Once these are agreed, we envision initial informal exchanges of data on the quantities of forces covered. After discussion of these data, we would require a formal exchange of data establishing the baseline of current forces from which reductions would be taken to reach residual ceilings.

As your question notes, there are differences in how the two sides currently assess each other's force structure. This is highlighted when one compares the data released publicly by NATO in November 1988, and that published by the Warsaw Pact in January 1989. Although the public data was not intended for formal negotiating purposes, it did show that the two sides clearly have different definitions and counting rules.

The categories where we expect these differences to post the most complex negotiating issues are helicopters and combat aircraft. The East has focused on so-called "strike" or ground attack aircraft and helicopters, claiming NATO has a numerical advantage, based on distorted definitions and inconsistent counting rules. In its category of so-called strike aviation, for example, the East would include virtually every combat aircraft NATO possesses but would exclude thousands of Pact combat-capable aircraft. The Pact's militarily unsustainable and artifical distinction between "offensive" and "defensive" aircraft is at odds with NATO's position, which is that "all land-based combat aircraft"—where the East has an enormous numerical advantage—must be subject to reductions. The Eastern definition is flatly unacceptable to us, and we will not be "forced" to agree to it.

General **Herres.** If the Warsaw Pact is unwilling to compromise on its current CFE position, a CFE treaty will be very difficult to achieve. Significant differences still exist between NATO and Pact proposals, particularly concerning regional subceilings. These differences will have to be resolved to NATO's satisfaction before we can proceed toward an agreement.

### SNF MODERNIZATION

Senator **Warner.** Secretary Wolfowitz, does the SNF result negotiated among NATO members fall apart if the CFE treaty cannot be signed within six to twelve months and fully implemented before 1992 or 1993? How would the Federal Republic of Germany react to a failure to sign a CFE treaty in one year?

Mr. **Wolfowitz.** NATO's decision on SNF negotiations does not expire on 30 May 1990. Allies agreed that SNF negotiations would not take place until implementation of a CFE agreement is underway, with no qualifications as to when that would take place. The Allies also agreed to accelerate the timetable for CFE negotiations with the objective of reaching final agreement within six months to a year. But that timetable is a goal, not a deadline.

We intend to do everything in our power to meet the agreed timetable, but we will certainly not sacrifice effectiveness for speed, nor work against a deadline for agreement at any cost. The pace of the negotiations will depend in large part on how willing the Warsaw Pact is to negotiate seriously.

Senator **Warner.** To use Secretary Cheney's words before the committee last month, if we are unable to resist the political pressure to begin negotiations on limiting SNF, how can we ultimately avoid the political pressure to eliminate the so-called third zero system? In other words, how committed are we to limit the negotiations to a partial reduction versus total elimination of ground-based nuclear forces and even all nuclear forces in Europe?

Mr. **Wolfowitz.** The Comprehensive Concept agreed at the NATO Summit by the United States and all the allies is quite categorical on the enduring role of nuclear weapons, including ground-based systems, in sustaining deterrence in Europe. It specifically states:

"In particular, the allies have always recognized that the removal of all nuclear weapons from Europe would critically undermine deterrence strategy and impair the security of the Alliances. . . . Where nuclear forces are concerned, land-, sea-, and air-based systems, including ground-based missiles, in the present circumstances and as far as can be foreseen will be needed in Europe."

This alliance-agreed policy is a strong statement of committed opposition to the so-called "third zero" and limiting negotiations on SNF to achieving partial reductions in such systems. For its part, the United States will not back away from this strong commitment, and based on allied endorsement, will develop a follow-on to Lance in order to permit a deployment decision in 1992.

### RESTRICTING MILITARY FORCES TO ZONES

Senator **Warner**. Have the Soviets accepted our concept of zonal restrictions in the CFE negotiations?

Mr. **Wolfowitz**. The Warsaw Pact has accepted the "concept" of zonal restriction, including subdividing Soviet territory for the purpose of limiting concentrations of treaty-limited forces. This represents a step forward from a proposal presented at the opening of negotiations to limit forces and military activities only in a narrow strip along the "zone of contact"—presumably the IGB. Such "strips" are highly prejudicial to NATO's forward defense.

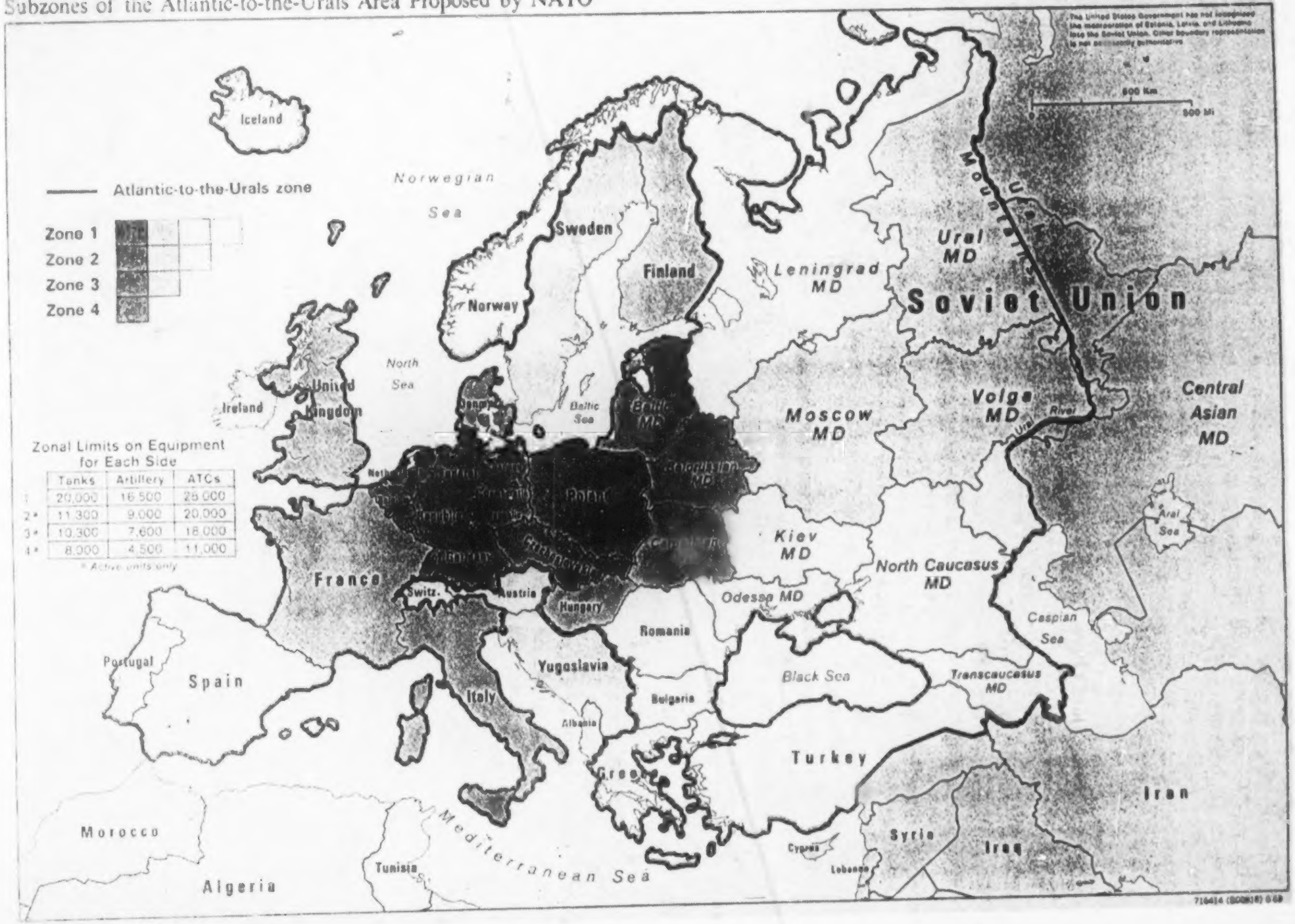
However, the East has operationalized the concept of geographic subzones quite differently than NATO has. The attached pages are maps which depict the two sides' zonal measures.

The West's proposal would greatly moderate the current high concentrations in certain regions, through overall cuts and through geographic subceilings that would push equipment away from the central region toward the rear. The subceilings are nested to prevent the application of any separate rules or exemptions to any one subzone. The subceilings cover only active equipment in manned units; only total ceilings would cover stored equipment, since the offensive potential of stored and active unit equipment cannot be equated. By not counting stored equipment against the subceilings, the NATO proposal thus preserves the West's ability to reinforce from North America.

The Pact proposal, on the other hand, seems designed to preserve the East's capacity to threaten NATO territory, while denying the West the ability to reinforce. Some 7,300 tanks would be permitted in the East's forward region which borders on the central region, and contains both the Baltic and Odessa military districts. Both of these districts could serve as marshalling areas for an invasion of the West. The 7,300 tanks there, combined with the 4,000 tanks permitted in the "rear" mean that a total force of over 11,000 tanks could be generated by the countries of the Warsaw Pact on the Eastern border of the center region. By contrast, the equipment allocated to the West in its forward region and much of the rear region, would be separated from the central region by mountains, neutral countries or oceans. The East would also treat stored and active equipment equally under its geographic subzones, thereby prejudicing NATO's reinforcement needs and exploiting the East's existing geographic advantages.

A more recent Warsaw Pact subzone "option" has many of these same disadvantages. Thus, while the two sides have moved closer together on the general "concept" of zones, the details of the two sides' approaches are quite different and will be the subject of considerable negotiation.

Subzones of the Atlantic-to-the-Urals Area Proposed by NATO


Atlantic-to-the-Urals zone
Zone 1
Zone 2
Zone 3
Zone 4
Iceland
Norwegian Sea
North Sea
Baltic Sea
Ireland
United Kingdom
Norway
Sweden
Finland
Leningrad MD
Ural MD
Ural Mountains
Soviet Union
Baltic MD
Belorussian MD
Moscow MD
Volga MD
Ural River
Central Asian MD
Aral Sea
Poland
Carpathian MD
Kiev MD
North Caucasus MD
Odessa MD
Caspian Sea
Transcaucasus MD
France
Switz.
Austria
Hungary
Romania
Yugoslavia
Bulgaria
Albania
Black Sea
Turkey
Iran
Iraq
Syria
Lebanon
Cyprus
Greece
Italy
Portugal
Spain
Morocco
Algeria
Tunisia
Mediterranean Sea
600 Km
500 Mi
716414 (500816) 6-89

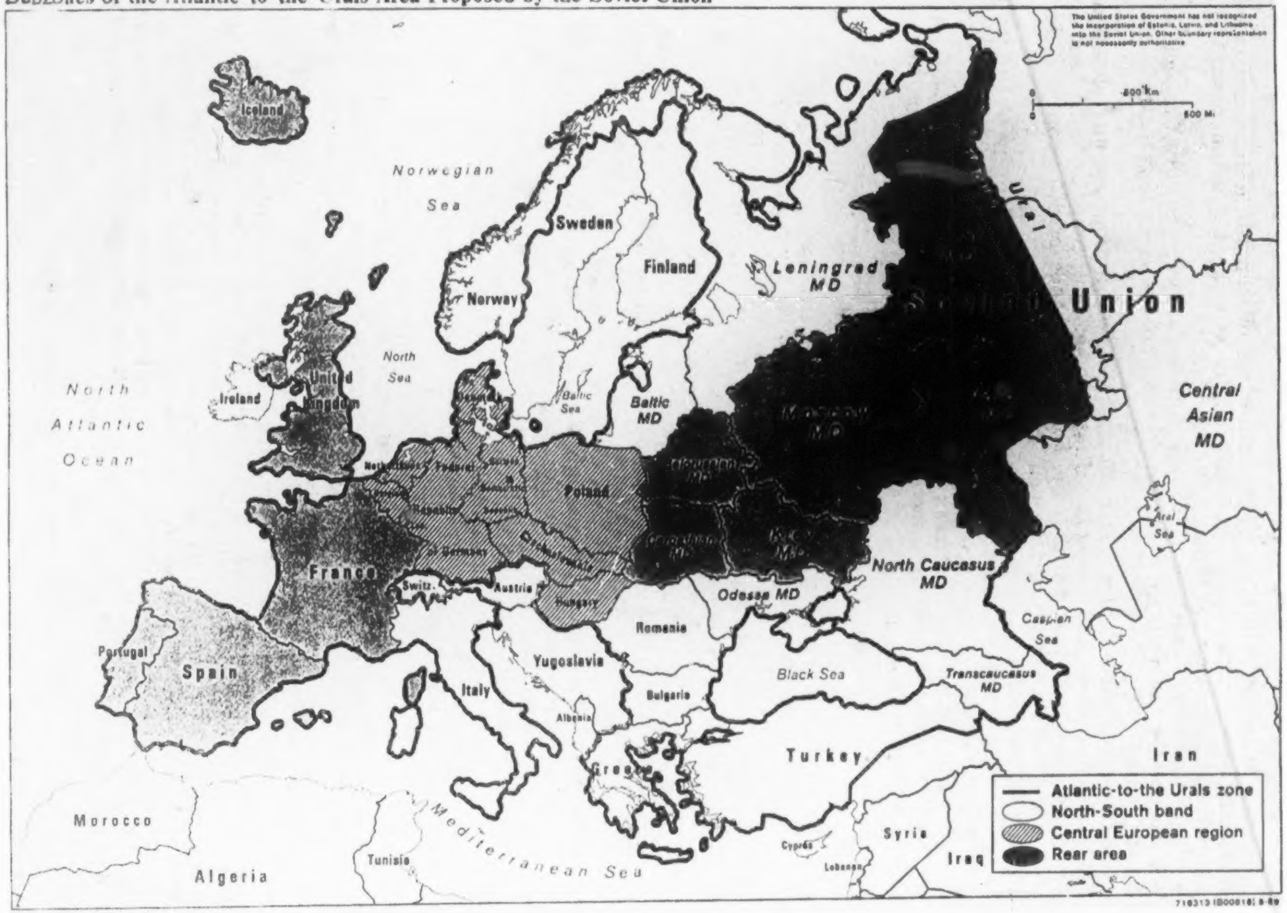
The United States Government has not recognized the incorporation of Estonia, Latvia, and Lithuania into the Soviet Union. Other boundary representation is not necessarily authoritative.

Zonal Limits on Equipment for Each Side

| | Tanks | Artillery | ATCs |
|---|---|---|---|
| 1 | 20,000 | 16,500 | 25,000 |
| 2* | 11,300 | 9,000 | 20,000 |
| 3* | 10,300 | 7,600 | 18,000 |
| 4* | 8,000 | 4,500 | 11,000 |

* Active units only

Subzones of the Atlantic-to-the-Urals Area Proposed by the Soviet Union


The United States Government has not recognized the incorporation of Estonia, Latvia, and Lithuania into the Soviet Union. Other boundary representation is not necessarily authoritative
0
500 Km
0
500 Mi
Iceland
Norwegian Sea
Sweden
Finland
Norway
Leningrad MD
Ural
Soviet Union
North Atlantic Ocean
North Sea
Ireland
United Kingdom
Baltic Sea
Baltic MD
Central Asian MD
Poland
Netherlands
Federal Republic of Germany
Moscow MD
Aral Sea
France
Switz.
Austria
Hungary
Odessa MD
North Caucasus MD
Portugal
Spain
Romania
Yugoslavia
Italy
Bulgaria
Albania
Black Sea
Caspian Sea
Transcaucasus MD
Greece
Turkey
Iran
Morocco
Algeria
Tunisia
Mediterranean Sea
Cyprus
Lebanon
Syria
Iraq
Atlantic-to-the Urals zone
North-South band
Central European region
Rear area
716313 (B00816) 8-89

### ON MAINTAINING FLEXIBLE RESPONSE AFTER A CFE TREATY

Senator **Warner**. Will there be a requirement to maintain a nuclear deterrence in Europe even if, or when, a CFE treaty is fully implemented and an equal balance of forces exists between the Warsaw Pact and NATO?

Mr. **Wolfowitz**. Yes. Once again, the Alliance's Comprehensive Concept which the US endorsed and played a critical role in drafting, is quite categorical on this point:

For the foreseeable future, deterrence requires an appropriate mix of adequate and effective nuclear and conventional forces which will continue to be kept up to date where necessary; for it is only by their evident and perceived capability for effective use that such forces and weapons deter.

Conventional forces make an essential contribution to deterrence. *The elimination of asymmetries between conventional forces of East and West in Europe would be a major breakthrough, bringing significant benefits for stability and security. Conventional defense alone cannot, however, ensure deterrence. Only the nuclear element can confront an aggressor with an unacceptable risk and thus plays and indispensable role in our current strategy of war prevention.* (Italics added for emphasis.)

### VERIFICATION PERSONNEL

Senator **Warner**. Verification is the key to any arms control agreement. Please describe what programs are underway to: (a) determine the requirements for personnel to fulfill the verification tasks in the various arms control agreements we might conclude in the near future; i.e., INF, CFE, START; (b) identify personnel with appropriate technical and language skills to conduct these verification tasks; and, (c) conduct training programs to fill the shortfalls that exist in these areas.

Mr. **Wolfowitz**. Regarding CFE, such an analysis cannot yet be carried out. The elements of the verification regime that will be required to verify compliance with residual ceilings and to detect and deter violations simply are not yet well enough known to permit a useful analysis of verification personnel requirements. We do know that on-site inspection provisions will be a critical part of such a verification regime. After we have settled on the details of the regime, we expect our experience in conducting inspections for the INF Treaty will be valuable in defining the personnel requirements, including the identification of necessary skills and training requirements. I note, however, that unlike INF, the CFE agreement will be multilateral, and hence the US will share the costs and personnel requirements for the CFE verification regime with its NATO allies.

The INF verification regime has, of course, been in operation for over a year. The staffing and training of personnel for the inspections required by the INF Treaty have gone very smoothly, with broad cooperation by a number of agencies in providing people with the appropriate skills. One potential problem area identified during INF implementation is the limited number of trained Russian linguists available for inspection duties. This situation is being reviewed carefully for its impact should additional inspection requirements result from future arms control agreements.

The personnel requirements for START will depend greatly on the details of the final agreement. It is possible that the requirements for personnel to conduct INF inspections will decrease sharply (coinciding with the end of the INF elimination period) at about the same time the requirements for START inspection personnel become great. This would mean that a resources now devoted to INF could be transferred to START, although this would depend on the timing of a START agreement and implementation, which cannot be predicted.

### MINIMAL REQUIREMENTS FOR DEFENSE

Senator **Warner**. There is a basic number of troops and weapons systems required to organize a defense of our assigned sectors in Central Europe. The President has proposed a reduction of 20 percent in combat troops and corresponding reductions in tanks, armored personnel carriers, and combat aircraft. Were sufficient studies and analyses conducted to ensure that we are retaining sufficient combat power to carry out the minimal defensive requirements?

Mr. **Wolfowitz**. Yes. The question of NATO minimum force requirements has been analyzed exhaustively by the USG, by NATO officials (including SACEUR), by the RAND Corporation, and by our allies. All agree that militarily prudent reductions in NATO forces are limited by the minimum force level required to maintain forward defense. Below that level, NATO would have to switch to a maneuver strategy, which would have to allow substantial penetration of German territory, and which would severely disadvantage NATO, given its lack of territorial depth. Based on the analysis we have done, I believe we have a good understanding of the limits of what is prudent in terms of NATO cuts under a CFE agreement. That understanding has been the basis of our work in fashioning the NATO proposal, which provides for a prudent level of reductions.

I would like to clarify some of the elements of the West's position. First, the alliance has not agreed on 20 percent cuts in combat troops across the board. The allies agreed to seek limits only on US and Soviet stationed manpower. For the US this would result in a 30,000 man cut in our combat troop levels in Europe, or a 20 percent cut in US combat troop strength there overall. For the Soviets, the ceiling of 275,000 stationed personnel in Europe would result in a 325,000 man cut in such personnel.

Nor does the alliance contemplate reductions at this stage in other categories of equipment as large as 20 percent. In main battle tanks, our ceiling of 20,000 would result in a cut of about 10 percent for NATO, the artillery ceiling of 16,500 (pending further work in establishing an agreed NATO/Warsaw Pact definition for this category) would result in a cut of 5 percent, and NATO's ATC ceiling of 28,000 would result in a cut of about 2 percent. In aircraft and helicopters, we have called for a 15 percent cut from current NATO levels, based on military analysis that this would significantly enhance security.

### IMPACT ON THE 401ST

Senator **Warner**. An article in yesterday's Washington Times suggested that the Pentagon is considering blocking the move of the 401st Tactical Fighter Wing from Spain to Italy as a way of complying with President Bush's troop cut proposal. Up until this time, Pentagon officials have strongly supported the relocation of the 401st as vital to the U.S. strategy of forward defense. Could you please comment on your understanding of the impact of the President's troop cut proposal on the relocation of the 401st to Italy?

Mr. **Wolfowitz**. The United States continues to support to relocation of the 401st TFW. This position is unchanged by the Alliance's decision to seek a ceiling on U.S./Soviet stationed manpower (or its decision to seek ceiling on combat aircraft).

### IMPACT OF CFE PROPOSALS ON NATO TACTICAL AVIATION POSTURE

Senator **Warner**. A Wall Street Journal article of yesterday stated that aircraft with a dual capability, or those equipped to carry nuclear weapons, would be exempted under the proposed 15 percent reduction level. Is this your understanding?

Mr. **Wolfowitz**. No. The alliance position is that all combat-capable aircraft in Europe will be subject to reductions. That includes dual-capable aircraft. But our analysis indicates that NATO could absorb the cuts resulting from its combat aircraft reductions proposal without taking cuts in dual capable air, which is a capability we and our allies wish to ensure remains robust enough to maintain deterrence.

Senator **Warner**. Does not the 401st TFW possess such a dual role capability?

Mr. **Wolfowitz**. The 401st TFW is a highly sophisticated, indispensive wing of 72 F–16C/D model aircraft for the southern region. The wing is a multipurpose, responsive force with capabilities in air defense, ground attack, strike and close air support. A cumulative loss of both GLCM and the 401st TFW in its strike role could shift the overall strategic balance in the southern region in favor of the Warsaw Pact.

Senator **Warner**. What form or type of Soviet aircraft do you anticipate that the Soviet Union will include under the reduction proposal?

Mr. **Wolfowitz**. So far the Warsaw Pact has maintained the position that only "strike" aircraft would be subject to reductions. They define this category extremely narrowly—essentially to include only aircraft that are used primarily in ground attack missions using guided air to surface missiles. For the Eastern side, under this definition only the following aircraft would be reduced: SU24, SU17, SU17MP, SU22, MIG 27, SU25, MIG 25BM, MIG 23BN and IAR93. For NATO, because most of its aircraft are multirole, virtually its entire combat aircraft inventory would be subject to reductions. This one-sided approach is flatly unacceptable to NATO, which has said "all land-based cambat aircraft" in Europe would be covered by CFE ceilings.

### IMPACT OF CFE PROPOSALS ON NATO TACTICAL AVIATION POSTURE

Senator **Warner**. Do you anticipate problem areas in the verification of tactical aircraft reductions, and if so, would you comment on what procedures might be employed?

Mr. **Wolfowitz**. The inherent mobility of combat aircraft will make verification of compliance with ceilings on aircraft a daunting task. The USG and allied governments are now engaged in the initial stages of the intensive process of defining the verification provisions that will be necessary in CFE, including its aircraft provisions, and I do not wish to pre-empt that process by speculating on which procedures might be employed. In general, the question of verifying reductions in aircraft is not difficult—what is difficult to verify is compliance with the residual ceiling. Even this task is not overwhelmingly challenging at any given time. The problem with aircraft is their speed and mobility, which makes the timeliness of our knowledge of compliance the most important element.

I would also note that the Warsaw Pact, in arguing for the inclusion of air, was surprisingly forthcoming on verification of aircraft reductions in plenary statements made in Vienna. We intend to hold their feet to the fire on this subject.

### REMOVING THIRD-ZERO SYSTEMS FROM EUROPE

Senator **Warner**. General Herres, do you think that it would be destabilizing to remove all ground-based missiles or third zero systems from Europe?

General **Herres**. The removal of all short range nuclear forces from Europe would be destabilizing. Modernized, forward deployed nuclear systems are essential for deterring war in Europe.

### REMOVAL OF U.S. COMBAT TROOPS

Senator **Warner**. General, in a State Department Q & A session after the President's speech, the American official briefing the press stated that the U.S. would remove only U.S. combat troops, but that under the Bush proposal the Soviets would not be required to "demobilize" similar combat troops but could instead remove non-combat troops. Is this your understanding, General Herres, and would the removal of non-combat Soviet troops make for greater instability in the European theater?

General **Herres**. President Bush proposed a reduction of 30,000 U.S. ground and airforce personnel, which represents a 20 percent cut in the combat manpower of U.S. stationed forces. He also proposed that the resulting ceiling—approximately 275,000—apply to U.S. and Soviet ground and air force personnel stationed outside of national territory in the Atlantic-to-the Urals zone. This ceiling would require the Soviet Union to reduce its forces in Eastern Europe by about 325,000. We believe that Soviet forward deployed forces are one of the most destabilizing factors in Europe. Thus, the substantial reduction of these troops required by the President's proposal would greatly enhance NATO's security. Although the President stated that the United States would withdraw the 30,000 from ground and air combat manpower, there is no requirement for the Soviets to do the same.

### REMOVAL OF TANKS AND PERSONNEL CARRIERS

Senator **Warner**. General, the President proposed that we would withdraw tanks, armored personnel carriers, artillery and combat aircraft from Europe, bring them back to the United States and destroy them. This is primarily firstline equipment in Europe that we have proposed to destroy. It would be difficult to justify continuing production of these weapon systems at the same time we are destroying numbers of them. What impact do you anticipate such a situation would have on our procurement programs? Could some of this equipment be used to fill our shortfalls in POMCUS?

General **Herres**. It is unlikely that the United States will have to destroy modern equipment as a result of a CFE agreement. The United States plans to reallocate its equipment so that newer models will remain active and older models will be available for destruction. Additionally, NATO will also have to determine how to allocate its required reductions and how to redistribute equipment so that the least capable models are destroyed. Even though some older equipment would have to be destroyed, the United States will still have requirements to modernize its remaining equipment in order to maintain a qualitative advantage over Warsaw Pact forces.

### JCS INVOLVEMENT

Senator **Warner**. General, was the Chairman of the Joint Chiefs, Admiral Crowe, consulted on the level of the troop and equipment reductions and the inclusion of combat aircraft in this proposal? Was the CINCEUR, General Galvin, consulted? What were their recommendations?

**General Herres.** Admiral Crowe and General Galvin were closely involved in developing the President's initiative. Both strongly support the initiative and the President's efforts to achieve a more stable and secure Europe.

### 20-PERCENT REDUCTION IN U.S. TROOPS IN CENTRAL EUROPE

**Senator Warner.** There is a basic number of troops and weapon systems required to organize a defense of our assigned sectors in Central Europe. The President has proposed a reduction of 20 percent in combat troops and corresponding reductions in tanks, armored personnel carriers and combat aircraft. Were sufficient studies and analyses conducted to ensure that we are retaining sufficient combat power to carry out the minimal defensive requirements?

**General Herres.** The President's initiative is predicted on equal residual ceilings of tanks, artillery, armored troop carriers, land-based combat aircraft, and helicopters between NATO and the Warsaw Pact. It is also predicated on equal residual ceilings of U.S. and Soviet stationed ground and air force personnel. Since the initiative requires that equipment be destroyed and forces be demobilized to reach equal ceilings, the Warsaw Pact will have to reduce vastly greater numbers of equipment and troops than NATO. If equal ceilings are achieved in this manner, and if adequate monitoring of residual forces is implemented, then NATO's defensive posture will be greatly enhanced because the Warsaw Pact will no longer possess a quantitative conventional force superiority in Europe. We are convinced that NATO can continue to execute its existing strategy after the proposed reductions are taken.

### DEMOBILIZATION

**Senator Warner.** General, in the White House press release concerning President Bush's arms control proposal, reference is made to "demobilization" of U.S. and Soviet forces that are withdrawn from Europe. This infers that there has been a mobilization of some sort, which there has not been. The fact that the force structure removed from Europe would be "demobilized" raises questions about U.S. commitments. Presently, the United States is committed to have 10 divisions in Europe in 10 days in the event of war. Is "10 in 10" no longer going to be a U.S. commitment? How does the proposal alter our tactical air forces commitment to NATO? If we demobilize forces but maintain our commitment to NATO for the foreseeable future, what is the impact on U.S. commitments in other theaters? How does U.S. industrial and military mobilization capability and capacity compare with the Soviet Union? How does the alliance intend to address the problem of increased reliance on strategic mobility in a crisis?

**General Herres.** U.S. commitments to NATO will remain unchanged by a CFE agreement. The President's initiative calls for U.S. and Soviet forces withdrawn (i.e. stationed ground and air force personnel) to be demobilized. We are carefully exploring options for implementing that demobilization to ensure that both our commitments and our mobilization capability are not adversely affected.

### VERIFICATION

**Senator Warner.** What confidence do we have in our ability to verify such an agreement when we cannot verify how many tanks the Soviets have today?

**General Herres.** We are currently developing the elements of a verification and monitoring regime. On-site inspection is one of a number of monitoring mechanisms under consideration. We are working with the intelligence community to determine which mechanisms will augment our present intelligence and warning capabilities such that NATO will have greater assurance of Soviet compliance with the provisions of an agreement.

### IMPACT ON NATO ALLIANCE

**Senator Warner.** What, in your opinion, will be the impact on the NATO alliance should forward deployed aviation units be withdrawn from Europe? Specifically, are certain regions more tactically vulnerable by such withdrawals than others? How would CINCEUR react to such a proposal? How many U.S. tactical fighter wings are deployed throughout NATO? How many wings does the U.S. Air Force have forward deployed in the protection of NATO's Southern flank? Should the 401st TFW be returned to the U.S., how would the Alliance structure be affected; and who would assume the role and commitment vacated? Which type of U.S. aircraft will be under consideration for inclusion in the CFE reduction? Are there sufficient "second generation" aircraft deployed in Europe to meet the 15% reduction goal without inclusion of "third generation" assets?

General **Herres**. The President's initiative seeks to establish equal ceilings on land-based combat aircraft in the Atlantic-to-the-Urals zone. The superior capability of NATO aircraft has long been viewed as a key element in defending the Alliance. Thus, if equal ceilings are established, NATO's defense posture will be significantly enhanced because the Alliance will no longer be contending with greater numbers of Warsaw Pact aircraft currently located in Eastern Europe. CINCEUR was consulted, and he supports the initiative.

The United States presently has 10 tactical fighter wings deployed in Europe. One of these wings, the 401st, is located in the area of NATO's southern flank. Other tactical fighter wings, located in the continental United States, would deploy to the southern flank in the event of a war. At this time we do not intend to withdraw the 401st from Europe but plan to proceed with its relocation.

Until more details of a CFE agreement become known, it is premature to specify which aircraft will be considered for reductions. However, we believe sufficient numbers of older NATO aircraft exist so that more modern aircraft should not have to be reduced under an agreement.

## Questions Submitted by Senator Malcolm Wallop

### MILITARY BALANCE

Senator **Wallop**. Secretary Wolfowitz and General Herres, we all know that the military balance in Europe will not be determined by what is on the piece of paper that either the President has put out to the press this week or in a future treaty. The precedent for this is in every one of the arms control agreements that we have signed. The glaring inequalities between US and Soviet strategic forces, for instance are not mandated by existing treaties. Under SALT II, we could have 820 mobile MXs. We have but 50 in fixed silos. We are worried in the Senate about a future START agreement because of the aim points to warhead ratios. We also assume, wrongly in every case, when we postulate new agreements such as this that the Soviets will adhere to them. Here we are talking about a treaty that will limit NATO and WP forces in Europe to equal levels. What reason do we have to believe that the numbers in the treaty will actually reflect the realities in the field 5 years from now?

Mr. **Wolfowitz**. There are two aspects to your question. The first is, will the Alliance maintain a force posture that fulfills the entitlements of the treaty ceilings? The US position is that it is very important that it does. The ceilings we have proposed are based on analysis of NATO's defense requirements, and if they are not fulfilled for whatever reason then Alliance security would suffer.

The second aspect of the question relates to compliance with the treaty by the other side. Let me assure you that we intend to negotiate an effective verification regime for CFE. We will not submit a CFE treaty for ratification by the Senate unless that treaty gives the US and the alliance the ability to verify compliance, including the ability to detect violations in a timely manner, and to deter cheating.

General **Herres**. The principal way to ensure the future viability of a CFE agreement is through a strict verification regime which would include on-site inspections with no right of refusal. Such a regime should not only deter cheating but should also provide high confidence that militarily significant violations will be detected in a timely manner. We are currently developing monitoring procedures that will achieve these goals.

### DISPARITY IN PRODUCTION

Senator **Wallop**. Does it matter how many things are destroyed if there is a roughly 4 to 1 disparity in the production of new ones? In fact, isn't there actually a danger in the destruction of equipment given that US systems are inherently more valuable on a system for system basis? This problem is further exacerbated since we will, in the spirit of the agreement, restrain our own production in the limited systems.

Mr. **Wolfowitz**. First, we do not envisage limits on modernization under a CFE agreement. Indeed, continuing modernizaton by NATO will continue to be essential under a CFE agreement. While we do not expect to limit production *per se* in a CFE agreement, there will be limits on overall levels of treaty-limited items in the Atlantic-to-the-Urals area, which we will need to ensure cannot be circumvented via the Pact's enormous production capabilities.

On the issue of destruction, we intend to preserve enough flexibility in the implementation of the agreement to permit destruction of older equipment before more modern items. Destruction of equipment has security benefits, in that it will deny the Soviets the opportunity to reach ceilings by moving equipment east of the Urals, where it could threaten other regions.

General **Herres**. Production facilities and capabilities are a concern and will have to be addressed in some manner by a CFE agreement. However, it is unlikely that the United States will have to destroy modern equipment as a result of an agreement. The United States plans to reallocate its equipment so that newer models will remain active and older models will be available for destruction. Even though some older equipment would have to be destroyed, the United States will still have requirements to modernize its remaining equipment in order to maintain a qualitative advantage over Warsaw Pact forces.

### DISPARITY IN WILLINGNESS TO SKIRT THE TREATY LIMITS

Senator **Wallop**. Two weeks ago the Soviet Union caused the United States considerable embarrassment by pointing out that the plans for the modernization of Lance—whose range is just barely within the INF Treaty—would contravene the agreement in sprit. The Germans asked how sincere our desire for peace could be if we do absolutely everything allowed to us under a treaty? This line of argument is especially powerful given that the United States does not blame the Soviet Union for doing everything allowed under treaties. Indeed, we do nothing when the Soviets clearly violate treaties.

Mr. **Wolfowitz**. It is certainly not the case that we "do nothing" in the face of Soviet non-compliance. The U.S. record in this area is clear: we take non-compliance extremely seriously. For example, we have made Soviet resolution of ABM Treaty non-compliance a prerequisite to our signing a START agreement. Likewise, we would react appropriately and vigorously to any sign of Warsaw Pact violations of any CFE agreement.

Nor was the United States "embarrassed" by Soviet attempts to paint the follow-on to Lance as a violation of the "spirit" of the INF Treaty. As I said in my testimony, "It is very clear, and it has been clear in the negotiating record, that short-range systems are not included and they can be modernized and the Soviets are modernizing theirs at full speed." This was simply yet another Soviet attempt to make points in its campaign to undermine western defense through the denuclearization of Europe. The "embarrassment" should be on the Soviet side, since they have a clear and overwhelming preponderance in SNF forces, since they continue to modernize these forces at a rapid pace, and since it was the Soviets who said publicly they would consider violating the treaty if the Lance—a clearly permissible deployment—were fielded.

General **Herres**. As I mentioned previously, a verification regime should provide high confidence that militarily significant treaty violations would be detected quickly. However, detection is only part of verification. If it is determined that a violation has occurred, our national command authorities must be willing to take appropriate action in response. Failure to challenge or respond to a militarily significant violation will encourage future circumvention of a treaty and weaken NATO's security.

### DISPARITY IN GEOGRAPHY

Senator **Wallop**. What is the geographic area covered by the proposal? Is the entire United States covered? Is the entire Soviet Union covered? How does the agreement take into account the enormous geographic asymmetries between the alliances, including longer lines of communication, sea-lines vs. land-lines, and relative depth of battle space. Does this agreement take into account these disparities? If so, how?

Mr. **Wolfowitz**. The Mandate of the CFE negotiations says: "The area of application shall be the entire land territory of the participants in Europe from the Atlantic to the Urals, which includes all European island territories of the participants. In the case of the Soviet Union the area of application includes all the territory lying west of the Ural River and the Caspian Sea." Hence no North American territory is involved, and only the portions of the USSR that are west of the Urals are involved.

The Alliance is well aware of the geographic asymmetries between the two sides. The western position and the Mandate for the talks takes account of these in several ways. First, the Mandate specifically excluded consideration of naval forces, so that sealift capability for reinforcements and capability to defend the sealanes will not be limited. Second, the NATO proposal's zonal arrangements are designed to limit the concentration of active, manned forces, and constrains the generation of offensive formations in adjacent regions in a manner which takes into account the

Warsaw Pact's advantage in reinforcing capability. The geographic subceilings in NATO's proposal apply to active, manned forces. They do not apply to stored equipment, which means that such equipment can be stored where it is needed for reinforcements. (Stored equipment would of course apply to the overall ceilings). We have also carefully crafted our proposed overall ceilings to take into account NATO's requirements for a prudent forward defense, which is itself predicated on certain geographic asymmetries, e.g. reinforcement.

General **Herres**. The CFE negotiations covers a geographic area from the Atlantic Ocean to the Ural Mountains in the Soviet Union. The two principal means of addressing geographic asymmetries are through forward deployment of forces and equipment storage. The U.S. and other NATO countries maintain forces stationed outside their national territories in Europe. These forces would be able to respond rapidly in the event of a war. The U.S. and other NATO countries also store equipment in Europe so that war materiel will be available to both stationed and reinforcing units. This equipment is intended to bridge the gap between the initial phase of a war and full mobilization. NATO fully intends to protect forward deployment and storage under a CFE agreement.

### VERIFICATION

Senator **Wallop**. Is there any conceivable way of verifying this agreement? We have various classified and unclassified estimates of Soviet tank production, for instance. After these tanks leave their production facilities, what percentage of them—roughly can we presently keep track of? Or does the President envision a truly massive on-site inspection program that would essentially entail a US presence throughout most of the Soviet Union?

Mr. **Wolfowitz**. We think this treaty can be verified. We do have a fairly good handle on their production capacity and what happens to those units once they enter the force structure. Under a CFE agreement we would rely both on national technical means (NTM) and on-site inspection and other cooperative verification measures which will greatly enhance our confidence in verifying treaty-limited items. These measures may include mobile monitoring teams, regular data exchanges, aerial overflights, entry-exist points, monitoring of production facilities, and other measures.

We have not yet fully developed the verification regime that will be part of a CFE agreement, although intensive work is underway so that we can table verification provisions when the next CFE round begins on September 7. We do know that it is likely to involve an unprecedented degree of instrusiveness, given the tens of thousands of treaty-limited items and the territorial scope of the agreement, and that it is likely to be fairly manpower-intensive. The regime's costs and personnel requirements will not be borne only by the United States, but will be shared among the NATO allies.

General **Herres**. As I mentioned previously, we are developing the elements of a verification and monitoring regime. On-site inspection is only one of a number of monitoring mechanisms under consideration. We are working with the intelligence community to determine which mechanisms will augment our current intelligence and warning capabilities such that NATO will have greater assurance of Soviet compliance with the provisions of an agreement.

### ALLIED SUPPORT FOR CFE INITIATIVE

Senator **Wallop**. The newspapers reported that Bush had the support of most of the allies—only Britain and France were skeptical. This reminds me of the British newspaper headline of the late 19th century that read "Dense Fog Descends on Channel—European Continent Isolated." Are not Britain and France two rather crucial allies give their independent status, long-time alliance relationship with the United States, and national nuclear forces? Would it not be fair to say that once again, as in INF, the US has sided with those least interested in the military defense of Europe against those most interested in the military defense of Europe? Which Europeans are we choosing against? The best armed Europeans. The Europeans that are the most committed to independence. Tell us what sort of policy this represents? Where is the long-term interest of the United States in this? This has the potential of another neutron bomb fiasco, given that now that we back-off Lance, mollifying Herr Genscher, but leaving Mrs. Thatcher and Mr. Mitterand hanging out there.

Mr. **Wolfowitz**. I accompanied President Bush's party at the Summit, and I can tell you from my first-hand experience that the UK and France supported strongly the President's initiative on CFE. President Mitterand praised the imagination showed in the proposal and wholeheartedly endorsed it. Prime Minister Thatcher said that the Bush proposals had transformed the Summit. In short, all allies supported the decision taken at the Summit to amend NATO's negotiating position and to accelerate the timetable for reaching agreement, and all allies are working together to achieve our common goals for a CFE agreement.

General HERRES. Before the President's initiative was promulgated at the NATO summit, our NATO allies were informed and consulted about its contents. Although some of them expressed concerns about certain parts of the initiative, all supported the proposal, as evidenced by the North Atlantic Council Communique of 30 May 1989. We will continue working with our allies in an effort to refine the initiative and to allay their concerns. At the same time, however, we remain committed to ensuring that U.S. security interests are well-served in a CFE agreement.

[Article submitted for the record by Senator Wallop follows:]

MAY 31, 1989.

## THE NATO SUMMIT: WILL BUSH'S "DOUBLE HIT" BECOME A SOVIET TRIPLE PLAY?

### INTRODUCTION

In the afterglow of self-congratulations and favorable press notices following the just-concluded summit, the leaders of the NATO nations are accentuating the positive and manfully ignoring the negative. President Bush, in particular, has proclaimed a powerful "double hit" with his initiatives on short-range nuclear forces (SNF) and conventional weapons arms control. Unfortunately, if the West dwells on the good news and fails to address the serious, adverse implications of the bad news, NATO's "double hit" could lead to a dangerous Soviet triple play.

In each of three important areas, NATO has fashioned positions that, at first blush, seem promising and laudable. On nuclear deterrence, the allies have reaffirmed the need to maintain "an adequate and effective mix of nuclear and conventional forces which will continue to be kept up to date where necessary." On conventional arms control, they have proposed a new initiative aimed at dramatically reducing Soviet force disparities "prejudicial to stability and security." And with respect to economic, financial and technology security, the NATO nations have committed themselves to "expand the scope of . . . contacts and cooperation [with the East in] . . . a sustained effort geared to specific tasks which will help deepen openness and promote democracy within Eastern European countries."

On closer inspection, however, the United States and its allies have agreed to specific steps that stand to complicate enormously—if not prevent—the achievement of these high-minded objectives.

### NUCLEAR DETERRENCE IN EUROPE

Despite the lip-service paid to the continuing requirement for NATO's Flexible Response strategy and the role played by theater (or "sub-strategic") nuclear weapons in it, the NATO summit formalized understandings that will seriously erode the viability of that strategy and the alliance's ability to implement its military doctrine:

NATO has postponed a decision to modernize one of the most important sub-strategic systems—the Lance short-range nuclear missile—until 1992.

This is the result of increasingly strident West German opposition to replacement of the obsolescing Lance.

Allied agreement to such a deferral will make it extremely difficult to deploy a replacement before Lance becomes utterly unsupportable.

NATO has also agreed to enter into negotiations with the East to achieve a "partial reduction of American and Soviet land-based nuclear missile forces of shorter range to equal and verifiable levels."

While great emphasis is being placed upon the word "partial" as evidence of a shared commitment not to allow such negotiations to result in the complete elimination from Europe of all SNF missiles, it is reasonable to expect that the pressure that obliged the allies to enter into these negotiations in the first place will ultimately mount to produce a third "zero outcome."

Moreover, unless the allies agree to modernize such forces as they are permitted to retain under a new SNF deal, the result would be effectively the same as agreeing to their elimination, i.e., structural disarmament through obsolescence.

Unfortunately, this appears to be precisely what West German Foreign Minister Hans Dietrich Genscher had in mind when he described the NATO summit meeting as forging "an agreement to negotiations without modernization."

Finally, there is no such thing as verifiable limits on systems with the inherently small size, ready mobility and attendant easy concealability of short-range nuclear forces; even if an outcome other than zero SNF could be achieved, it would be utterly impossible to ensure Soviet compliance.

In short, despite the welcome recognition of the need for credible sub-strategic nuclear deterrent forces for the foreseeable future, the actual decisions taken at the NATO summit set the stage for inaction on replacement of obsolescing systems and for new negotiations that will make it problematic even to retain the aging ones now deployed.

### CONVENTIONAL ARMS CONTROL

President Bush is credited with rescuing the NATO summit from a possibly divisive exercise and turning it into a display of alliance unity by announcing a major initiative on conventional forces. He proposed that the talks on Conventional Forces in Europe (CFE) include limits heretofore resisted by NATO, namely on troops (notably a common ceiling requiring a 30,000-man reduction in U.S. forces there) and on aircraft. The President also called for the completion of these negotiations by the spring or fall of 1990. Such an ambitious acceleration of the pace of the conventional negotiations was designed to sate West German pressure for immediate negotiations on SNF.

Far from improving the prospects for "a secure and stable balance of conventional forces at lower levels," however, the new NATO initiative is likely to exacerbate the CFE negotiation's already considerable potential for weakening Western security:

The proposal to limit aircraft and troops under the conventional talks enormously complicates the CFE negotiations.

### AIRCRAFT

At least two of the allies—Britain and France—have already made known their objection to inclusion of their air forces under such limitations.

These differences offer dangerous new opportunities for the Soviet Union to fracture the Western alliance; this time-honored objective of Soviet foreign policy has been much in evidence lately in connection with the alliance divisions over SNF.

From a military point of view, the argument made by the West prior to the summit for excluding aircraft from at least the first phase of the CFE limits still holds: aircraft are not able to seize and hold territory—the sort of weapons that give rise to concerns about the prospects for aggression.

To the contrary, aircraft may be decisive in helping the West repulse such attacks—provided they may be introduced into the theater flexibly and supported effectively.

Unfortunately, limits of the kind now envisioned by the NATO proposed will work against needed flexibility and effectiveness; if, as is currently the case, nuclear-capable aircraft are withheld from use in the conventional stage as a conflict, reductions in NATO's air-forces will compound the problem.

### TROOPS

There are persistent and significant disagreements between NATO and the Warsaw Pact in counting the number of forces deployed by the Soviet bloc.

Such differences over data and counting rules proved to be insurmountable obstacles to earlier efforts at conventional disarmament.

Similarly, no effective means have been found to date to monitor the implementation of and compliance with limits on troops.

Communist forces in Afghanistan and Angola have shown a remarkable ability to exploit this shortcoming so as to defeat the purpose of troop withdrawal agreements; it is only reasonable to expect that similar opportunities might be abused in Eastern Europe.

Gorbachev's announcement yesterday of the size of the "real" Soviet defense budget—a figure four times larger than that previously announced by the USSR but still only half the size of most Western intelligence estimates—is yet another indication of the need for stringent verification regimes as part of any arms control accord with the USSR.

Even as NATO has made the negotiation of a CFE agreement vastly more difficult by expanding its scope, it has greatly inflated expectations about the speed with which agreement can be reached.

The net effect of encouraging European public opinion to expect an accord within roughly a year will be to intensify the pressure to complete a conventional forces treaty irrespective of its terms or flaws.

In the absence of such a speedy accord, Germans and others will feel justified in insisting that SNF negotiations be begun at once.

The prospect of an "imminent" conventional arms control agreement will also make it much more difficult to maintain the readiness and effectiveness of Western non-nuclear defenses.

In other words, the short-term benefits of President Bush's conventional forces proposal will almost certainly be more than offset by the long-term damage done by the erosion it entails in the Western negotiating position.

### UNDOING EXPORT CONTROLS

Largely overlooked in the publicity associated with the military and arms control dimensions of the NATO summit has been another, possibly even more momentous Bush initiative: the decision to jettison a policy vital to safeguarding militarily relevant Western technologies sought by the Soviet bloc. By agreeing to eliminate the "no exceptions" policy that has governed COCOM deliberations on technology transfer for most of the last decade, NATO has set the stage for the wholesale retooling of the USSR's military apparatus. This hardly seems the sort of activity envisioned by the NATO communique in its call for "specific tasks which will help deepen openness and promote democracy" called for in the summit communique.

There is considerable reason to believe that the appetite of the Soviet armed forces for advanced technology has been a crucial factor in containing the unhappiness the military might otherwise have felt over various aspects of Gorbachev's program (e.g., unilateral force reductions, arms control initiatives, reported spending cuts, etc.).

Indeed, Marshall Ogarkov—a preeminent Soviet strategic thinker—has been calling for a leaner but more technologically competitive military for years.

In ending the "no exceptions" policy, the West will by definition be providing the USSR access to dual-use technology and know-how of direct relevance to Soviet efforts to enhance its military power.

At best, the successor policy will preclude the sale of some of the potentially dangerous technologies whose transfer to the Soviet bloc is presently proscribed; at worst, the COCOM mechanism may prove unable to function in the face of so undisciplined a Western policy environment, enabling the USSR to acquire virtually whatever it wishes.

The Bush Administration evidently failed to utilize the NATO summit—as it was urged to do two weeks ago by the United States Senate—as a forum for engaging America's allies in a new, more coherent strategy, one designed to exploit the West's economic, financial and technological leverage so as to transform fundamentally and irreversibly the Soviet threat. Instead, even as it espoused communique rhetoric along these lines, NATO actually took a step destined to worsen the prospects for greater discipline and transparency in East-West relations in these areas. That fateful step may also, ironically, worsen the prospects for real reform in the Soviet bloc permitting the USSR to avoid some of the hard choices it would otherwise have to make.

### RECOMMENDED ACTIONS

It is imperative that NATO act quickly in the aftermath of the summit to build upon the positive themes of its communique and to limit the damage likely to arise from some of the ill-considered decisions taken there.

In particular, the United States should: Insist upon a firm allied commitment to modernized theater nuclear weapons deployed in Europe to meet the requirements of NATO's Flexible Response strategy and as a necessary condition if American forces are to remain there.

Stipulate that serious, outstanding problems (e.g., data, counting rules, zonal and verification questions) be resolved in the CFE talks as a precondition to expanding the scope of the negotiations. The past record of Soviet non-compliance with arms control agreements makes such resolution absolutely mandatory.

Condition the elimination of the "no exceptions" policy on the demonstration of fundamental, structural change in the Soviet political and economic systems—change of the sort that would genuinely transform the threat currently posed to Western interests by the USSR (e.g., the institution of real checks and balances in a Soviet government accountable to its people, the wholesale diversion of resources from the military to the civilian sector, the adoption of true transparency in all aspects of Soviet activities, etc.).

[Whereupon, at 3:17 p.m., the committee was adjourned.]

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